

Aalto University

School of Science

Degree Programme in Industrial Engineering and Management

Martti Heikkilä

Entrepreneurial narrative strategies in nascent markets

Master's Thesis

Espoo, 2/12/2015

Supervisor: Professor Robin Gustafsson

Instructor: M.Sc. Christopher Rowell

Author: Matti Heikkilä		
Subject of the thesis: Entrepreneurial narrative strategies in nascent fields		
Number of pages: 65	Date: 2.12.2015	Library location: TU
Professorship: Strategy		Code of professorship: TU-91
Supervisor: Robin Gustafsson, Professor		
Instructors: Christopher Rowell, M.Sc.		
<p>Entrepreneurial narrative is an important tool for venture managers, through which managers seek to convey a legitimate identity for their venture, justify their rightful place in the market, evoke audience engagement, and make their business understandable. Narratives have been theorised and also empirically shown to affect outcomes such as attracting attention and investments, as well as survival and performance of entrepreneurial ventures. As new ventures by definition lack legitimacy, and in nascent markets cannot seek legitimacy through claiming membership in a legitimate category, narrative strategies are especially important for the performance and survival of entrepreneurial ventures in nascent fields.</p> <p>Given the importance of narrative strategies for new ventures in nascent markets, this study aims to investigate the actual narrative strategies that the managers of those ventures employ, and the effects this has on performance outcomes. Although there is ample literature theorizing the effects of narratives also in these settings, there is very limited prior empirical evidence. To explore this phenomenon, I employ an inductive case study methodology and target seven Finnish new ventures operating in the emerging EV (electric vehicle) field. This study is part of the Electric Vehicle Ecosystems (EVE) programme, coordinated and funded by the Finnish Funding Agency for Innovations (Tekes).</p> <p>First, as a synthesis of recent widely cited literature on the subject, an analytical framework of entrepreneurial venture narrative strategies in nascent markets is formulated; narrative identities are studied from the perspective of 3 narrative dimensions: cognitive understandings, socio-cultural resonance, and identity coherence. Primary data was gathered through interviewing the case company managers and observing their public presentations. Secondary data includes news articles on the case firms, firm websites, and marketing materials. Outcomes were measured using success in getting funding, number of media articles reporting on the firms, and seminar invitations.</p> <p>Narratives are categorised in an iterative process to raise the level of abstraction and identify narrative strategies utilised by the case firms. The findings reveal the narrative strategies employed by the managers, and several insights on how different firms employ different narratives. Further, findings suggest that utilising all three dimensions of narratives enhances company performance, but is not a universal prerequisite for achieving high performance. In addition, this study also contributes to theory in the form of the analytical framework formulated, and makes methodological contributions for measuring the outcomes of narratives for entrepreneurial ventures in nascent fields.</p>		
Keywords: narrative, narrative strategies, entrepreneurial narrative, new ventures, nascent markets, electric vehicles, EVs		Publishing language: English

Tekijä: Martti Heikkilä		
Työn nimi: Uusien yritysten narratiivistrategiat kehittyvillä markkinoilla		
Sivumäärä: 65	Päiväys: 2.12.2015	Työn sijainti: TU
Professuuri: Strategia		Koodi: TU-91
Työn valvojat: Robin Gustafsson, Professori		
Työn ohjaaja: Christopher Rowell, KTM		
<p>Narratiivit ovat yritysjohtajille tärkeitä työkaluja, joiden avulla nämä pyrkivät luomaan yritykselle legitiimin identiteetin, sitouttamaan yleisöä toimintaansa, ja tekemään liiketoiminnastaan ymmärrettävää ulkopuoliselle kuulijalle. Aikaisempi tutkimus on laajalti teoretisoinut, ja myös osoittanut empiirisesti, että narratiiveilla on vaikutusta mm. kasvuyritysten huomion ja sijoitusten keräämiseen, sekä selviytymiseen ja tulokseen. Koska uudet yritykset ovat vailla legitiimiyttä, eikä uuden markkinan jäsenyys sitä tuo, on narratiivistrategioilla erityisen suuri vaikutus kasvuyritysten selviytymiseen ja menestykseen uusilla markkinoilla.</p> <p>Ottaen huomioon narratiivien suuren merkityksen uusille yrityksille kehittyvillä markkinoilla, tämän tutkimuksen tarkoitus oli selvittää, minkälaisia narratiivistrategioita yritysjohtajat todellisuudessa käyttävät tällaisessa ympäristössä, sekä mitä vaikutuksia tällä on yritysten selviytymiseen ja suorituskykyyn. Vaikka tätä aihetta tukee runsas määrä teoriapohjaista kirjallisuutta, empiiristä tutkimusta on aiheesta erittäin vähän. Tutkiakseni aihetta, käytin induktiivisen tapaustutkimuksen metodologiaa, valiten kohteikseni 7 suomalaista sähköautoalalla toimivaa kasvuyritystä. Tämä tutkimus on osa Tekesin Electric Vehicle Ecosystems (EVE) -ohjelman rahoittamaa tutkimusprojektia.</p> <p>Alan uusimpien ja arvostetuimpien tieteellisten artikkelien pohjalta luotiin uusi analyyttinen viitekehys kasvuyritysten narratiivistrategioiden tutkimiseen. Viitekehys jakautuu kolmeen narratiiviseen ulottuvuuteen: kognitiivinen ymmärrys, sosiaalikulttuurinen merkityksellisyys, ja identiteetin johdonmukaisuus. Ensisijainen data kerättiin haastattelemalla yritysjohtajia, julkisia esityksiä havainnoimalla. Toissijainen data kerättiin sanomalehtiartikkeleista, jotka viittasivat yritykseen; yritysten internet-sivuilta ja markkinointimateriaaleista. Lopuksi, lopputulemia mitattiin 3 välillisiä vaikutuksia sisältävän muuttujan kautta.</p> <p>Datasta löytyvät narratiivit kategorisoidaan iteroiden käyttäen ohjenuorana analyyttistä viitekehystä. Löydöksenä luottelemme yritysjohtajien käyttämiä narratiivistrategioita sekä ymmärrystä siitä, miten yrityksen ominaisuudet vaikuttavat narratiivien valintaan. Lisäksi tulokset implikoivat, että kaikkien kolmen narratiivien ulottuvuuden käyttäminen tasapainoisesti parantaa yrityksen menestymistä, mutta ei ole universaali välttämätön edellytys yrityksen menestymiselle. Näiden tulosten lisäksi tämä tutkimus edistää tieteen kehitystä luomalla analyyttisen viitekehysten kasvuyritysten narratiivistrategioiden tutkimiseksi, sekä kehittämällä metodeja kasvuyritysten narratiivien lopputulemien mittaamiseksi.</p>		
Avainsanat: narratiivi, narratiivistrategia, kasvuyritykset, uudet markkinat, sähköautot, sähköiset ajoneuvot		Julkaisukieli: Englanti

Acknowledgments

The writing of this thesis has been one of the most intimidating tasks I have faced during my adult life. However, with learnings from my second thesis worker position, I can truly appreciate how big a difference a skilful and supportive supervisor, a genius of an instructor (for an Aussie) and team of colleagues can make. It was truly a pleasure to work in such a nice company, even though it was just a social construction. Maybe it was even a bit too relaxed when it comes to us late birds making it to the finishing line – thank you for the flexibility when it comes to schedules!

A thank you is also in place for Tekes for funding my thesis research and making me familiar with the intriguing twists and turns of the World of Electric Vehicles. I've met several interesting people who were even kind enough to give me interviews. What is more, a couple of days after submitting this thesis, I will be test driving a Tesla Model S with some nice colleagues. Exciting!

Thanks to my next employer, Smartly.io as well, for being equally flexible with starting times. I am writing this after my first day at Smartly, and tomorrow I'm flying to Berlin. Exciting, indeed!

Finally, thanks to my parents for raising a nice kid (maybe even several), thanks Prodeko, Tuta, all my friends from TKK & Aalto and all the professors, teachers and staff. Most of all, thanks to my dear Norma for tolerating and even feeding the grumpy man seated before a computer screen with glazed eyes for weeks on end. Thank you for your love and support.

“Dipan tekeminen on helppoo, kuha kirjottaa.” (See Figure 1)

Helsinki, November 2015

Martti Heikkilä

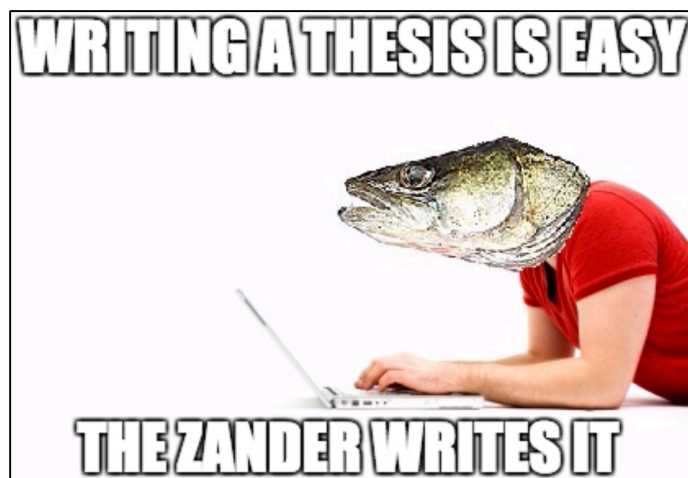


Figure 1. Zander jokes (“kuhavitsit” in Finnish) were hugely popular in Finland in late 2015.

Table of Contents

Acknowledgments	iii
Table of Contents	iv
1. Introduction	6
1.1 Background	6
2 Theory and Literature.....	8
2.1 Entrepreneurial challenges in nascent markets	8
2.2 What is narrative?	9
2.3 Narrative as an entrepreneurial tool	10
2.4 Linking narrative strategies to outcomes	13
2.5 Analytical framework on narrative strategies by new ventures in nascent fields	14
2.5.1 Cognitive understanding	15
2.5.2 Socio-cultural resonance	15
2.5.3 Identity coherence	16
2.6 Research questions	17
3 Research Methods	19
3.1 Research setting	19
3.2 Methodological approach	20
3.3 Definition of narratives	21
3.4 Data collection	22
3.4.1 Selection of case companies	22
3.4.2 Narrative data collection	23
3.4.3 Outcome data collection	25
3.5 Data analysis	27
4 Findings.....	29
4.1 Identity narratives of case companies	29
4.2 Strategies to construct cognitive understanding	35
4.3 Strategies to construct socio-cultural resonance	39
4.4 Strategies to construct identity coherence	43
4.5 Effects of venture characteristics on the use of narratives	47
4.6 Outcomes of the employed narrative strategies	50

4.6.1	Success in resource acquisition.....	53
4.6.2	Media coverage.....	54
4.6.3	Seminar presentation invitations.....	54
5	Summary and discussion	56
5.1	Summary of the research and findings	56
5.2	Implications of the study	58
5.2.1	Achieving balance between cognitive understanding, socio-cultural resonance, and identity coherence narratives	58
5.2.2	Narratives' effects on outcomes.....	60
5.2.3	Methodological contributions.....	61
5.3	Limitations	61
	List of references	63
	Appendix A Ratings on funding success.....	66
	Appendix B Cumulative media coverage from first article until end of data collection	67
	Appendix C Firm ratings on media coverage	68

1. Introduction

1.1 Background

It is known that narrative is an important tool for business managers, through which they seek to convey a legitimate identity (Lounsbury & Glynn 2001; Navis & Glynn 2010; 2011), form social ties to potential partners and collaborators (Ozcan & Eisenhardt 2009), create space for agency (Santos & Eisenhardt 2009), strike emotional chords to evoke engagement (Hill & Levenhagen 1995), make their business understandable for outsiders (Navis & Glynn 2011), and as a result, attract attention and resources crucial for survival of their venture (Aldrich & Fiol 1994; Rowell & Gustafsson 2015; Martens et al. 2007; Navis & Glynn 2011; Santos & Eisenhardt 2009). All in all, narratives have been found to greatly impact the survival and performance of nascent firms (Lounsbury & Glynn 2001; Martens et al. 2007; Navis & Glynn 2011; Zimmerman & Zeitz 2002).

These assets are especially valuable when the venture is new, or operating in a nascent market or an emergent field, or both: new ventures lack legitimate identities (Lounsbury & Glynn 2001), attention and resources (Santos & Eisenhardt 2009), and their capabilities are unknown (Martens et al. 2007). Similarly, new market categories are unfamiliar by definition, ambiguously defined (Navis & Glynn 2010), the business opportunities are unproven (Aldrich & Fiol 1994), they have fewer cognitive references to existing concepts, are defined in a fluid and subjective fashion (Rowell & Gustafsson 2015; Lounsbury & Glynn 2001) and are therefore harder to understand, especially for outsiders.

What, then, are the narrative strategies that entrepreneurs can deploy in new fields to make their new business appear more plausible to outsiders? While, like discussed, prior literature has widely theorised that narratives are important tools for managers for attracting attention and resources in general, there is limited empirical research on the subject, and similarly limited empirical research on narrative strategies adopted by entrepreneurs in nascent fields, specifically. This presents an interesting research gap: as mentioned, narratives are especially important for new ventures in nascent fields, thus empirically investigating the best practises and pitfalls has very practical implications for organisations seeking to create or further the emergence of a new field.

To explore key strategies and their prerequisites, usage and effects, this inductive, qualitative empirical study closely inspects the narrative use of seven Finnish new ventures operating in the nascent electric vehicle (EV) field in Finland. For this study, my research team conducted interviews, observed presentations made by managers and other representatives in seminars and other events, studied websites, publicly available video interviews, and other marketing material made

by the firms and their managers. The author was responsible for this paper, but research was conducted in cooperation with a research team as part of an ongoing project, called “Acting Effectively in Emergent Ecosystems”. The project is funded by the Finnish Funding Agency for Innovation Tekes, is part of Tekes’ Electric Vehicle Ecosystems project (EVE), and has been active between 2012 and 2015. The project closely studies the emergence of the EV ecosystems in California, Finland and Singapore and aims aid in accelerating their emergence.

I code narrative elements appearing in interviews, presentations, observations, video and archival material, and categorise the elements following the Gioia method (Gioia et al. 2012). The analysis was an inductive and iterative process. I observed significant differences between case firms in narratives employed, in the way they defined the EV organisational field, its history, future development and boundaries, as well as their own organisational identity and business. Using a synthesised model derived from the most recent literature on narratives’ outcomes and effects on new venture performance, I evaluate narrative acts in three dimensions: how they convey cognitive understanding, socio-cultural resonance, and identity coherence.

The analysis reveals the actual narrative strategies used by the entrepreneurial ventures in a nascent field: many concepts were identified that are familiar for prior literature, but also new types of narrative strategies emerge. Furthermore, while the data is mostly too limited to offer conclusive findings, analysis does suggest that identity coherence narrative, not socio-cultural resonance narrative, is most important for gaining both media coverage and seminar presentation invitations.

This master’s thesis contributes to the narrative research field theoretically by synthesizing an analytical framework to facilitate structured analysis of entrepreneurial narrative strategies. Furthermore, I contribute methodologically by developing and experimenting with methods to measure the outcomes of narrative strategies. Finally, I also contribute empirically by explicating actual narrative strategies that managers of ventures used in our research setting, gathering emergent concepts together in an abstract level.

2 Theory and Literature

Firstly, this chapter explores the special challenges and dynamics facing entrepreneurs that operate new companies in nascent markets. I establish that this kind of an environment provides an intriguing setting to study the use and effects of narrative strategies, because the dynamic nature of this environment enables constructing firm identity, business opportunities, and even the industry in a subjective way according to the firm's needs. Next, the terms "symbolic management" and "narrative" are defined, and a theoretical model is formulated to analyse the narratives of the case companies. Lastly, I explore the possibilities of measuring the outcomes of narrative strategies and formulate the research questions.

2.1 Entrepreneurial challenges in nascent markets

Nascent markets are business environments that are in an early stage of formation, and are often situated in nascent organisational fields (Aldrich & Fiol 1994). Due to their early stage of development, they are often ambiguously defined (Navis & Glynn 2010) and the lack of historical and empirical reference makes cognitive understanding of these markets difficult. Enterprising is risky, securing funding is difficult, and even everyday operations are challenging, because the business opportunities are yet unproven (Aldrich & Fiol 1994) and there is no known dominant logic to guide everyday decisions (Kaplan & Tripsas 2008). The participating actors may not have found their place and core business in the market yet, resulting in an undefined and constantly changing industry structure (Eisenhardt 1989b; Santos & Eisenhardt 2009). As a result, nascent markets often lack clear definitions or are defined in a dynamic fashion suited to actors' subjective needs (Rowell & Gustafsson 2015; Lounsbury & Glynn 2001); overall, "nascent markets constitute unstructured settings with extreme ambiguity" (Santos & Eisenhardt 2009, p.644).

If a company operating in a nascent market is new, these challenges compound: new firms often lack established processes, structures, and resources (Santos & Eisenhardt 2009), a clear identity (Lounsbury & Glynn 2001), power (Ozcan & Eisenhardt 2009), as well as socio-political and cognitive legitimacy¹ (Aldrich & Fiol 1994). The challenges related to nascent markets and new ventures intertwine, since many of the actors operating in nascent markets are either new companies or new business units of existing companies, facing some of the same challenges – lack of established processes. Altogether, new firms in new markets nascent markets must carve a new

¹ In this paper, I specifically define legitimacy as "a generalised perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definition" (Suchman 1995, p.574)

market space, recruit employees with no experience in the field, and raise capital from sceptical investors unfamiliar with the market, in addition to the usual liabilities of newness (Aldrich & Fiol 1994).

Due to this fluidity of market category and firm definitions, the research setting of new ventures in nascent markets offer an optimal environment to study the use of narratives. As there is no institutionalised dominant logic of identifying a venture, managers are able to construct firm identity and market boundaries relatively freely. There is also weaker categorical imperative (Zuckerman 1999), or, pressure for a venture to categorise itself, when categorical classifications are unclear (Glynn & Navis 2013). Managers can choose to categorise ventures in ways that portray the focal firm in a favourable light. In this research setting, for example, actors producing EV charging services could frame their product as a rival for the gas station network to make it easily understandable – or alternatively it could be framed differently to change the competitive evaluation criteria (Hill & Levenhagen 1995) and avoid competing with powerful incumbent actors (Rowell & Gustafsson 2015). Furthermore, the EV setting is ideal for that it has gained significant attention from both new ventures and large incumbent auto manufacturers – and the field offers vast historical and cultural resource base for new venture managers to narratively associate with or disassociate from (Rowell & Gustafsson 2015).

2.2 What is narrative?

Narratives are “thematic, sequenced accounts that convey meaning from implied author to implied reader” (Barry & Elmes 1994, p.431). While the term is sometimes used interchangeably with “story” and “storytelling” (e.g. Lounsbury & Glynn 2001; Garud et al. 2014; Santos & Eisenhardt 2009; Martens et al. 2007), I use “narrative” in alignment with prior papers conducted in the broader research project this study is part of (e.g. Rowell & Gustafsson 2015), as well as other recent research (e.g. Martens et al. 2007; Navis & Glynn 2011): the term “narrative” is used to denote both a unit of analysis, individual narrative acts, as well as the theoretical lens of the whole narrative approach.

Symbolic management is a broader term that denotes the use of symbols to “convey socially constructed meanings beyond its intrinsic or obvious functional use” (Zott & Huy 2007, p.72). For example, an office space in a city centre can be seen just as a convenient physical place for employees to work in – or also as a symbolic display of firm prestige (Zott & Huy 2007). Research on both symbolic management and narrative represent social constructionism, which views that reality are constructed socially: for example, a firm, a market or a field are socially constructed concepts that exist irrespective of an objective reality (e.g. Kennedy 2008; Munir 2005). Narrative

is often conceptualised to be a tool to mediate symbolic management or sensemaking (Granqvist et al. 2012; Navis & Glynn 2011): narrative acts “as a mediator between sensemaking and plausibility judgments” (Navis & Glynn 2011, p.489). Note that in this paper, narrative is used to denote all accounts that convey any meaning, factual or symbolic – even with accounts on factual matters, the manner and media of representation can convey symbolic meaning, depending greatly on the receiver’s subjective interpretation.

Narratives can be expressed through various modes, e.g. written, oral or video, and have varying degrees of planning involved: some are extemporaneous and other are carefully scripted (Martens et al. 2007). Some scholars also consider the use of prototypes and product demonstrations as symbolic management, as a form of narrative (Zott & Huy 2007). Martens et al. (2007) also recognise “minimal narratives” that are compact portrayals of e.g. the firm’s values or strategy on company brochures and the like, while “fuller narratives” portray these in a more detailed fashion in e.g. annual reports. Varying across entrepreneurs, extemporaneous and scripted narratives can both hold varying degrees of deliberation (Rowell & Gustafsson 2015; Martens et al. 2007; Zimmerman & Zeitz 2002): according to the data, some managers have detailed plans to use certain narrative to influence certain decision makers in certain ways. In contrast, other managers seem to disregard the significance of narrative altogether, resulting in unplanned use of narrative, which can have unexpected effects on audiences. In this paper, I employ this broad definition, where narrative can comprise elaborate stories, brief utterances, or short commercial messages, in formal or informal settings, deliberately or spontaneously.

2.3 Narrative as an entrepreneurial tool

Like discussed above, entrepreneurs face extreme ambiguity operating new businesses, especially in nascent markets. To cope with this ambiguity, “the entrepreneur must create a ‘vision’ or mental model of how the environment works (sensemaking) and then be able to communicate to others and gain their support (sensegiving)” (Hill & Levenhagen 1995, p.1057). Narrative, then, is the tool for communicating these mental models. Narrative is thus an important tool for entrepreneurs through which they make their business – their point of view – understandable for stakeholders such as investors, partners, employees, and customers.

A wide body of literature has established a variety of ways that managers can utilise narratives for their benefit. Narratives can convey a legitimate organisational identity (Lounsbury & Glynn 2001; Navis & Glynn 2010; 2011), make their business understandable for outsiders (Navis & Glynn 2011), form social ties to stakeholders such as potential partners and collaborators (Ozcan & Eisenhardt 2009), claim distinct markets to create space for agency (Santos & Eisenhardt 2009),

and evoke emotions in audiences to increase engagement (Hill & Levenhagen 1995) – often through embedding their business into broader cultural discourse (Martens et al. 2007).

To summarise some of the many dimensions of narratives, a group of scholars highlight the concept of “optimal distinctiveness” (Brewer 1991) or “legitimate distinctiveness” (Navis & Glynn 2011). Brewer (1991) argued that people have need stemming from social psychology for both belonging to a group and differentiating within it – resulting in a trade-off between similarity and distinctiveness. Navis & Glynn (2011) embed this concept into the setting of entrepreneurs and new ventures: favourable judgments are mediated by narratives that use concepts or vocabularies that link or relate the venture to existing institutions (institutional primes) – and narratives that convey distinctiveness but help investors make sense of that distinctiveness (reduce equivocality) (Navis & Glynn 2011). Like discussed in Section 2.1, new ventures face the challenge of gaining legitimacy, attention, and resources. This creates a trade-off: a venture needs to be judged distinctive enough to attract attention and have competitive advantage – but not too far-fetched in order to remain legitimate (Aldrich & Fiol 1994; Martens et al. 2007; Navis & Glynn 2011).

A major example of these institutional primes is category membership: a venture gains cognitive legitimacy through membership of a legitimate category (Durand & Paoletta 2013; Glynn & Navis 2013). In this perspective, balancing institutional primes and equivocal cues would translate as the need of a venture’s narrated identity to be adequately similar to claim category membership, but distinctive enough to individuate from other members of the category (Navis & Glynn 2011). Furthermore, belonging to a category brings obvious benefits, such as being cognitively easy to understand for potential investors, partners, and customers (Aldrich & Fiol 1994; Durand & Paoletta 2013; Glynn & Navis 2013; Kennedy 2008; van Werven et al. 2015). The immense pressure for new ventures operating in legitimate fields has even been called a “categorical imperative” (Zuckerman 1999). Finally, Navis & Glynn (2010) demonstrate through empirical evidence that in nascent market categories, venture identity narratives focused on defining the category and claiming membership – but as categories gain legitimacy, the focus of narratives gradually shifts towards differentiation between the actors within the category. This is because in a new industry, ventures lack the effect of having membership in a legitimate category, thus they have a common goal of legitimating their common category first (Lounsbury & Glynn 2001). Based on the literature, I expect to see variance among the case companies on how they categorise themselves and define their field.

As a result of the various uses and effects of narratives, many studies strongly believe that good narratives help entrepreneurs attract attention and resources (Aldrich & Fiol 1994; Rowell &

Gustafsson 2015; Martens et al. 2007; Navis & Glynn 2011; Santos & Eisenhardt 2009). Resource acquisition is told to be “the greatest challenge faced by entrepreneurs” (Brush et al. 2001, p.71). These difficulties stem from information asymmetry between entrepreneurs and investors, and uncertainty of the value of business opportunities and especially the ability of the entrepreneur to successfully exploit them (Martens et al. 2007). Acquiring capital is also strongly linked to venture performance (e.g. Brush et al. 2001; Cooper et al. 1994; Parker & van Praag 2006; Zimmerman & Zeitz 2002). Thus, success in capital acquisition has often been used as a measure of new venture performance when studying the effect of narrative (e.g. Baum et al. 2000; Cooper et al. 1994; Martens et al. 2007; Zott & Huy 2007).

The mechanisms through which narratives work have been conceptualised in multiple ways. Lounsbury & Glynn (2001) talk about cultural entrepreneurship, where “storytelling mediates between extant stocks of entrepreneurial resources and subsequent capital acquisition” (Lounsbury & Glynn 2001, p.545) through crafting organisational identity and enabling access to resources. Barry & Elmes (1994) even talk about “strategic management as a form of fiction”, where narrative overcomes the challenge of making strategic discourse both novel and credible. Finally, Munir (2005) reminds of the fundamentals of social constructionism: organisational change is constructed deliberately or unintentionally through theorisation and narrative around external events – not the events themselves. These events could include e.g. technological disruptions or regulatory changes; Munir (2005) argues that it is the theorisation that makes these events disruptive. In alignment with the social constructionist view, this study is not focused on objective recounting of events or factual states of things. Instead, the “reality” of the case firms is assumed to be crafted by firm managers through narration (cf. Rowell & Gustafsson 2015). Overall, the received research has established that narrative can be used to shape social constructions regardless of, and in addition to, objective facts. Hence, this study is not about analysing actual events but the narrations of managers on these events.

Narratives can not only be used to socially construct venture identities, but e.g. the boundaries and characteristics of organisational fields as well. Organisational fields are often narrated by entrepreneurs to position their firm more favourably, creating ambiguity through such narrative strategy work. For example, entrepreneurs may seek to narratively construct new fields, where they can compete on a different basis than in the mainline industry (Hill & Levenhagen 1995). Rowell & Gustafsson (2015) found in their study of EV venture managers’ narratives that managers define their field’s boundaries in a way that portrays their venture in a favourable light. First, managers can outright deny competing against more powerful companies by categorising themselves in a different field. Second, they can shift evaluation criteria to make comparisons

between rivals more favourable, such as emphasising acceleration or greenness instead of range, in the case of EVs. A third strategy is to deliberately construct field ambiguity: for example, EV manufacturers claiming they operate in “mobility” instead of cars; or EV charging operators claiming they construct “smart cities”. It was found that incumbent actors generally defined the field in traditional ways to tap into the cultural capital and legitimacy of traditional fields, while new ventures defined fields more innovatively to avoid competition, increase perceived capacity for agency, and attract attention (Rowell & Gustafsson 2015).

In general terms, optimal use of narratives has been theorised to enhance the survival and performance of nascent firms (e.g. Barry & Elmes 1994; Hill & Levenhagen 1995; Kennedy 2008; Lounsbury & Glynn 2001; Navis & Glynn 2011), and there is increasing empirical support as well (Martens et al. 2007; Navis & Glynn 2010; Santos & Eisenhardt 2009; Zott & Huy 2007). Further, narratives must strike a balance between familiarity and novelty – a balance of legitimate distinctiveness (e.g. Aldrich & Fiol 1994; Brewer 1991; Martens et al. 2007; Navis & Glynn 2011). Finally, I have established various ways that managers can socially construct realities that portray their venture in a favourable light (Rowell & Gustafsson 2015; Hill & Levenhagen 1995).

2.4 Linking narrative strategies to outcomes

In prior studies, numerous proxy measures have been used to measure outcomes of narrative use. The measures include whether the firm is portrayed in the media as a market referent (Santos & Eisenhardt 2009), portrayed in the media as operating in a new market (Santos & Eisenhardt 2009), alliances (Ozcan & Eisenhardt 2009) and other ties (Phillips et al. 2013) formed with other entrepreneurial firms, and firm valuation premium during and after an IPO (Martens et al. 2007). All of these measures can act as proxies for firm performance, which would be the natural goal for any manager using narratives. Still, they are interim outcomes: for example, resource acquisition is an interim outcome mediating performance measures such as financial success, growth and survival (Zott & Huy 2007). Ultimate outcomes, such as firm performance or survival, are co-determined by external factors, such as global market cycles and demographic trends, that are outside of the control of firm managers (Zott & Huy 2007).

It is challenging to scientifically measure the effects and outcomes of narrative acts for individual firms. Achieving this would require determining if a certain outcome is the consequence of a narrative act or concrete, non-narrative actions of the firm. Furthermore, an underlying venture strategy, personal characteristic, or external factor could be both dictating the narrative acts and influencing outcomes. Thus, looking at e.g. media attention measures and investors’ judgments, one cannot accurately determine whether those judgments are based on concrete actions, narrative

acts, or both. Similarly, financial figures and firm survival can be direct effects of concrete choices, such as pricing – or effects of narrative acts mediated by e.g. resource acquisition and outsider judgments of product quality. These challenges could only be overcome by using large samples in order to be able to control for spurious effects.

2.5 Analytical framework on narrative strategies by new ventures in nascent fields

I have discussed a variety of ways that narrative can be utilised by new ventures: gaining legitimacy, understandability, resources, emotional engagement, attention, social ties and space for agency. These effects are overlapping and interrelated: for example, legitimacy and social ties can help ventures receive funding; funding can increase legitimacy; and emotional engagement attracts attention. More comprehensive concepts identified in the literature include e.g. legitimate distinctiveness and the category membership. I also identified ways for new ventures to gain legitimacy, more favourable inter-organisational comparisons, and space for agency through fluidly defining field boundaries.

A brief analysis reveals that all of the discussed narrative elements can be found in the data. To address the main research question – what are the narratives that are used by new ventures in nascent markets – I identify and choose a general classification of narratives. In their widely cited paper on entrepreneurial narrative, Navis & Glynn (2011) summarise that ventures are judged more favourably (and hence are more likely to acquire resources) when their narrative strikes a delicate balance between legitimacy and distinctiveness – and contain a balanced mix of cognitive references to familiar institutions, as well as equivocal cues for sensemaking. They identify three goals that optimal narratives should fulfil: conveying cognitive understanding, socio-cultural resonance, and identity coherence. Furthermore, to my knowledge the only prior empirical study focusing on the effects of narrative on venture performance is that of Martens et al. (2007). Integrating theory and prior research, they conclude with a similar categorisation: narratives help ventures to acquire resources through making proposed business logic understandable, embedding business endeavours in broader socio-cultural discourses, and conveying a comprehensible identity (Martens et al. 2007, p.1110). Thus, for the purposes of this study, I evaluate narratives in three categories, that are for the purposes of this study named “narrative dimensions”: cognitive understanding, socio-cultural resonance, and identity coherence. Further, I look for institutional primes, equivocal cues, and metaphors and narratives that enable reducing that equivocality in sensemaking.

2.5.1 Cognitive understanding

Firstly, narratives help investors understand the logic and potential of proposed business endeavours; for example, how revenues are generated, how critical resources will be gathered, and the reasons behind proposed strategies (Martens et al. 2007). This can be as simple as rationally presenting business processes in clear process charts, and justifying investments with scientific measurements and financial profitability calculations. For technology companies especially, this dimension often concerns new proposed technological solutions to existing problems, which might be so complex that to the outsider, e.g. differentiation from competitors might not be understood. This dimension appeals to rational thinking and strives to make a business idea understandable, legitimate, and credible.

However, the narrative construction of understanding is not limited to factual explanations of e.g. business processes. Narratives can construct likeness between a new business and existing schemas through the use of e.g. metaphors and analogical reasoning (Hill & Levenhagen 1995; Santos & Eisenhardt 2009), claiming membership in legitimate organisational categories (Durand & Paoletta 2013; Glynn & Navis 2013; Navis & Glynn 2010; 2011), and existing schemas and vocabularies (Nigam & Ocasio 2010) to facilitate cognitive understanding. This “anchoring” into pre-existing cognitive models makes it easier to explain novel concepts, using existing concepts as basis; for a new venture, legitimate distinctiveness can be achieved by e.g. anchoring the venture to a legitimate category, or even just using the vocabulary schema of that category. Again, sameness is not enough, but should be accompanied by a twist – “coupling the distinctiveness of its entrepreneurial identity in a legitimate anchor” (Navis & Glynn 2011, p.490).

As one major benefit of narratives in general is making complex systems understandable for outsiders, the narrative must be simple enough. Although a certain degree of elaboration is needed to make the story credible and understandable, and to portray its advantages over other solutions, too complex elaborations will likely confuse stakeholders, make the firm’s direction unclear, and make stakeholders question whether the firm has a sufficiently clear focus to guide its decisions (Martens et al. 2007). Thus, in practise, a good narrative simply answers questions about the business, such as “what it is”, “how does it work”, “how is it better” and “what is its future potential” (Navis & Glynn 2011).

2.5.2 Socio-cultural resonance

Secondly, narratives help ventures attract attention and engagement among their customers, investors, and other stakeholders; “successful stories don’t just inform readers; they generate interest and commitment” (Martens et al. 2007, p.1117). They do this by connecting business

endeavours to broader socio-cultural contexts, thus generating deeper meaning (Martens et al. 2007; Navis & Glynn 2011), incorporating certifications, organisational memberships, and awards (Zott & Huy 2007), using prototypes and hands-on product demonstrations (Zott & Huy 2007), constructing nostalgia – contrasting a bad past with a good future through e.g. ecological reasoning (Rowell & Gustafsson 2015), and striking emotional chords, psychologically motivating certain actions or support (Navis & Glynn 2011). Generating resonance in an audience requires careful attention to the socio-cultural context of the audience (Barry & Elmes 1994).

This dimension thus appeals to emotional thinking, justifying why a certain business endeavour or its product is worth undertaking or purchasing in the first place, thus increasing the likelihood of audiences to remember what they have heard or seen, and actively move from the consideration phase to action (Lounsbury & Glynn 2001). Even a legitimate venture identity is less likely to engage audiences, if it does not have socio-cultural resonance – while very resonantly narrated ventures might still be deemed too far-off and illegitimate (Glynn & Navis 2013). At the same time, the balance of legitimate distinctiveness is needed, and a wildly resonant narrative could be judged too “far off” (Martens et al. 2007). In practise, socio-cultural resonance can be conveyed through symbolic means, referencing to places, historical events, nostalgia, emotions, and societal trends (Navis & Glynn 2011), evoking “good” institutional names, and offering hands-on experiences (Zott & Huy 2007).

2.5.3 Identity coherence

Narratives can help outsiders understand an entrepreneurial identity, because they can convey all the factual information about a venture in a simpler, more understandable, coherent package (Martens et al. 2007). This makes it easier for stakeholders to understand how all of the components of a business endeavour – the opportunity, strategy of exploitation, resources, and processes needed – are combined by the venture into a business in a coherent and elegant fashion (Barry & Elmes 1994; Navis & Glynn 2011). Thus, a venture’s narrative strategy constructs a coherent venture identity, if all parts of it – e.g. the business idea, its social and historical context, the venture’s capabilities – are aligned and form a coherent, understandable whole.

To be coherent, the venture and its field must fit coherently into the historical and social context. Especially in nascent fields, managers must convince possibly sceptical audiences on the necessity, benefits, and viability of the new field and the venture. Like Kaplan & Orlikowski (2013) note, “strategy cannot be understood as the product of more or less accurate forecasting without considering the multiple interpretations of present concerns and historical trajectories” (Kaplan & Orlikowski 2013, p.965). The ways managers seek to achieve historical and social fit include

constructing inevitability of discontinuous change and field openness and ambiguity, as found earlier by Rowell & Gustafsson (2015). Managers construct inevitability of change to justify their competitive advantage against incumbent actors, generate space for agency, and in general justify why their new business fits the “big picture”. Managers do this for example analogically, referencing to historical discontinuities in other fields, or through temporal abstraction: when you choose a timeframe long enough, change becomes inevitable. Furthermore, field openness is constructed by abstracting field boundaries by adopting new categories instead of possible existing ones. For example, a manager can choose to categorise the venture as “mobility” instead of “automotive”, thus avoiding the need to justify the necessity or viability of the new venture in an existing category ruled by incumbent actors. (Rowell & Gustafsson 2015.)

Because a narrated identity needs to be sufficiently novel to be interesting, but not too distinct to seem unrealistic for the venture to realise (Aldrich & Fiol 1994; Martens et al. 2007; Navis & Glynn 2011), identity coherence narratives also seek to justify why the firm is able to – and the optimal actor to – exploit the business opportunity (Rowell & Gustafsson 2015), in order to generate space for agency in spite of liabilities of newness (Rowell & Gustafsson 2015; Santos & Eisenhardt 2009) and thereby construct an understandable identity for the firm itself within its field context (Aldrich & Fiol 1994; Lounsbury & Glynn 2001; Martens et al. 2007; Santos & Eisenhardt 2009). Identity coherence narrative strives to portray the business undertaking as a coherent whole, justify it with organisational capabilities, and align it within its historical and social contexts, thus re-presenting selected “disconnected elements” as “related parts of a whole” (Barry & Elmes 1994, p.431). In practice, coherence can be conveyed through any narrative that conveys values fit, individual fit and business concept fit (Navis & Glynn 2011), or otherwise justify the firm’s existence, necessity, and viability in its context.

2.6 Research questions

The first aim of this study is to explore the narrative strategies that managers of new ventures operating in nascent markets use in reality. It is known that narratives help managers in critical tasks, and that good narratives enhance firm performance. There are also some categorisations of narratives that scholars have identified during their studies. However, it will benefit the emerging EV ecosystem of Finland to gather first-hand practical knowledge on what narratives are actually used, and what kind of effects they have. Thus, the first research question is formulated:

Q1. What narrative strategies do managers at new ventures use in nascent markets?

Secondly, the actors forming and operating in an emerging ecosystem employ very different roles – they can be members of distinct industries (e.g. auto manufacturing, charging services), have very different products (services, goods), and serve very different types of customers (consumers, businesses, public authorities, or even operate a multi-sided platform). The managers also come from different backgrounds and so have developed different styles of leadership, communication, and strategizing. To better understand the reasons for Q1 and choosing narrative strategies, it is interesting to investigate how these inherent properties affect the choice of narrative strategies. Thus I formulate the second research question:

Q2. What effects do intrinsic venture characteristics such as industry, product type, customer type, and manager background have on the choice of narrative strategies?

Theory suggests that narrative strategies are optimal when they are legitimately distinctive, and strike a balance between facilitating cognitive understanding, socio-cultural resonance, and identity coherence. By analysing the narrative strategies of the case companies, I study how managers actually succeed in constructing this balance. Further, I investigate if those narrative strategies that theory suggests as optimal also have optimal results in reality. As the effects could vary greatly from ecosystem to another, and measuring the outcomes of narrative strategies is highly challenging, this research question is highly exploratory in nature. Nonetheless, the third research question is:

Q3. What effect do narrations of cognitive understanding, socio-cultural resonance, and identity coherence, as well as legitimate distinctiveness, have on the outcomes of narrative strategies?

3 Research Methods

This chapter describes the research process in its whole. First, the research setting is described. Next, I lay down the research methodology, largely based on the case study method by Eisenhardt (1989a). Next, data collection methods are described, along with case selection criteria and brief descriptions of the case companies. Finally, I describe the data analysis methodology employed.

3.1 Research setting

This study explores the narrative use of entrepreneurial ventures in nascent markets: the markets of the emerging electric vehicle (EV) ecosystem in Finland. This study is part of a larger project undertaken by the Strategic Management Laboratory in Aalto University, Finland, which in turn is funded by the Electric Vehicle Ecosystems (EVE) programme of the Finnish Funding Agency for Innovations, Tekes. The goal of EVE programme is to aid the emergence and creation of the EV ecosystem in Finland, to ultimately create new export businesses in Finland and to help Finland and the rest of the world to achieve climate goals set by e.g. the EU. The project undertaken by the Strategic Management Laboratory of Aalto University has been active between 2012 and 2015, and closely studies the emergence of the EV ecosystems in California, Finland and Singapore, and aims aid in accelerating their emergence.

Electric vehicles are not a totally new product, as the first motor vehicles were in fact EVs. Since the early 1900s, EVs have however been left in the shadow of the more successful internal combustion engine cars (ICEs). EVs have lately seen increased business activity again, facilitated by the advancements in technology making EVs feasible; and the increasing pressure from regulators and other institutions to reduce greenhouse gas emissions. The EV ecosystem and the businesses involved provide an especially interesting research setting to study the use of narratives, since the field has attracted significant attention from outside the traditional automotive field. This presumably generates tensions between the powerful, incumbent automotive manufacturers and oil companies that have significant vested interest in the traditional gasoline-based ICE technology, and the new entrants that seek to change the rules and revolutionise the business. Furthermore, the traditional automotive field has arguably played such a significant role in the daily lives of billions of people, that it provides vast resources of history, tradition, culture, and emotions, that managers can choose to associate with or seek newer resources. Thus, this division between new

entrants and incumbent actors also provides a clear opportunity for the two categories to differentiate their narratives, and socially construct new categories and market boundaries inside the transforming ecosystem.

In Finland, EV technologies had begun attracting increasing attention in the late 1990s in the wake of the success of mobile technologies and other high tech industries. Globally, the field further developed, and by 2008, such promising ventures as Tesla in the USA with its battery electric vehicle (BEV) and BetterPlace with its battery swapping technology in the USA and Israel. In 2009, a working group was established in Finland to establish an expert network and further the emergence of EV businesses. This led to the creation of a large government-initiated innovation program to fund R&D in EV technologies and business applications. This program funded the project this study is part of, and data collection started in 2012. Even though the rise of the EV market in Finland has not been as rapid since then as anticipated, there are presently sufficiently many firms operating in the various markets of the field to facilitate the studying of new ventures in this nascent market category. For this paper, seven Finnish new ventures operating in the EV field were chosen as case companies to explore their narrative strategies as outlined in the research questions. The methodology and selection criteria for case companies are discussed in the following sub-sections.

3.2 Methodological approach

This study employs a qualitative case study research method. Strauss & Corbin (Strauss & Corbin 1990) argue that the required methodology is dictated by the research questions. The research questions seek in-depth answers to real-world concerning people's behaviour, thus the study demands qualitative methods (Strauss & Corbin 1990). Further, due to the highly explorative nature of the research questions, an inductive method is needed. To enable inductive and qualitative research in a research setting with limited data collecting possibilities, Eisenhardt's (1989a) case study method is optimal.

Eisenhardt (1989a) defines eight steps for the case study method, which I follow to facilitate a structured approach for the study. First, I defined research questions to focus my efforts and to help keep the workload in sensible limits. Next, the cases were selected from the specified population through theoretical sampling, in order to keep to those cases that are useful for developing theory. Next, data collection methods are chosen, combining qualitative data with quantitative data to get a synergistic view. The fourth step in the process is "entering the field": the author spent seven months working with the research group, getting familiar with the research setting

and its businesses, markets, global and local trends, and collecting and analysing data. Overlapping data collection and analysis speeds analysis and enables making corrections to collection methods if needed. (Eisenhardt 1989a.) Unfortunately, the nature of this study (a master's thesis to be conducted by the candidate alone), involving multiple investigators in data analysis was not possible.

According to the next step in Eisenhardt's (1989a) process, the author engaged in within-case data analysis and cross-case pattern search. Using these findings, hypotheses were formulated through an iterative process, where each new case would either support or disagree with the hypothesis in formulation. During this step, I also sought for evidence for any causalities behind these hypotheses to construct internal validity. Next, as per the case study process, the formulated hypotheses were compared with prior literature to raise the level of abstraction, enhance internal validity, and improve generalizability. Finally, the last step is to reach theoretical saturation where marginal improvement becomes small with every new case added; this was not always possible due to limitations in data, and the limited timeframe to conduct this master's thesis. (Eisenhardt 1989a.)

To reiterate the steps involved in the case study approach, research questions were defined in section 2.6. Case selection, as well as methods for data collection, analysis, and hypothesis formulation are presented in the following sub-sections of this Research Methods chapter.

3.3 Definition of narratives

For practical data collection methodology, it is necessary to define what is counted as a narrative. While narratives can exhibit various degrees of completion, depending on the social contexts they are presented in (Martens et al. 2007), a fundamental theoretical assumption of this study is that narrative sensemaking is a dynamic, social process (Cornelissen & Clarke 2010) and thus I have to assume that managers create narratives as much for themselves to make sense of their environment, as they do for other audiences (Rowell & Gustafsson 2015). This assumption also makes narratives of all modes, such as written, oral, physical, and visual, to be treated similarly in the analysis (Rowell & Gustafsson 2015). In the data analysis, I did not find any difference between different narrative modes; the case companies were mostly managed by individual managers, or very small teams, that usually had a shared understanding of their identity narrative across channels.

In other words, I include also a variety of actions that socially construct symbolic meaning as part of narrative strategies; for example, a strategy could be to organise events or test drives to convey symbolic meaning about the venture and its product. As per the social constructionist perspective

of this study, I am not interested in investigating factual events, but rather how the managers socially construct those events in their narratives.

3.4 Data collection

3.4.1 Selection of case companies

The selection of case companies was begun by making a pre-study of all Finnish companies operating in the EV field, and then limiting the scope to new ventures; no specific age or size limit was specified, but I ended up with a group of companies where no company was older than 5 years. Using a snowballing technique (e.g. Rowell & Gustafsson 2015), I found 19 potential case companies. I also ruled out companies that were no longer active, to enable data collection through interviews (with one exception, EV Sport, which the research project had already collected sufficient data on). Next, following Eisenhardt's (1989a) instruction on theoretical selection of cases, I chose companies from different categories: two personal EV OEMs (original equipment manufacturers – in other words, automotive manufacturers), two electric bus OEMs, two companies involved with EV charging, and even one delivery company that uses ecological cars, including EVs, in its fleet. This group of case companies presented variety that is needed to facilitate theory development: companies that target consumers and those who target institutional customers; companies that manufacture physical products and those who only engage in retail and/or services; and companies that had succeeded in resource acquisition and those that had not; like mentioned, I even included a company that was already in liquidation as of writing of this master's thesis.

EV Courier was a courier and delivery company, founded in 2010, that differentiated on greenness of its fleet, part of which were EVs. Otherwise, the company was rather ordinary delivery company, run by a manager with long experience in the delivery field. The company was growing, profitable, and had grown on its own income.

EV Coach was a small venture, founded in 2011, developing and manufacturing electric buses and accompanying charging systems. The two founders found a customer with a need for an electric bus, got funding from Tekes, and built their first prototype. In the following years until the data collection period, the company had not grown due to internal disputes, but were looking for future growth.

EV City was a new venture founded in 2014 on the foundations created by a large publicly funded research project investigating the technological requirements and opportunities of electric buses in the Finnish environments. Due to its background, the venture had high level of technological expertise, and received ample funding to deliver its first buses during the data collection phase.

EV Charge was a EV charging network operator, founded in 2013 in collaboration of several energy utility companies to exploit the future growth of the EV market. Its manager had experience in the energy utility field, and the venture was funded by the collaborating utility companies, and was successful in negotiating deals with more companies under the data collection period.

EV Gear was a new venture founded in 2012 by a small group of people who had experience in relevant fields around EV charging. The company is a retailer of charging devices, partners with car importers, and offers instalment, maintenance, and planning services for EV charging needs. The company had been funded by Tekes and with a small amount by private VCs.

EV Super was a venture founded by a group of car enthusiasts in 2011, headed by a renowned car designer, who had invented an electric powertrain and wished to win the Le Mans 24h race with an electric car. The firm developed its first prototype in secret, with private and Tekes funding for 4 years, before unveiling their prototype and secret technology in a large-scale media event. Aided by the huge visibility generated through this large event, they hoped to secure further funding to productise their technology.

EV Sport was a small venture founded in 2010 that strived to revolutionise the car design process, the personal automotive category, and eventually driving itself. The company invited the public to partake in its design community, actively promoted its ideas widely in events and even a TV show, but failed to secure funding to create their first prototype. The venture later ran into internal disputes, its CEO stepped down and the company went into liquidation by 2014.

3.4.2 Narrative data collection

To observe the the narratives shared in various modes by the case companies, I employed a broad approach to data collection. I conducted interviews in cooperation with another research group member, adding this data to the large amount of data already collected in the earlier years by the research group. The semi-structured interviews were conducted by two researchers, and they were recorded to enable precise transliteration later. The interviews lasted from 45 minutes to 2 hours, with the average length being approximately 1 hour. Interviewees were not emphasised that the study is about narratives, because the research project was about the EV ecosystem more broadly. Interview data enabled understanding of the underlying strategic motivations of managers as well, enabling deeper comprehension of the EV field in Finland. In total, the group conducted 16 interviews on the 7 case companies

Further, the group collected primary data by observing EV related events, EV venture managers' public presentations in these events such as conferences, seminars, and EV community events.

This observation data most often included recordings and notes on the presentations, and in some cases, any presentation material as well. Over the course of the data collection period, 21 public presentations were observed by the research group.

To triangulate and validate the primary qualitative data, it was appended with archival data such as media articles, company websites, seminar presentations by the companies publicly available online, and even online video publications by the companies and company managers visiting Finnish TV shows. Media articles were searched from a selection of the largest national newspapers and online news publishers in Finland, with a focus on business and technology: Helsingin Sanomat, Kauppalehti, Talouselämä, Tekniikka&Talous, and the public Finnish Broadcasting Company Yle.fi online news site. To keep a structured approach, the articles were limited to national publications (instead of local), and searched for using a variety of search terms, such as company names, product names, and founder/manager names. This search resulted in 113 news articles on the 7 case companies.

In the course of collecting and analysing data, I found that some of the companies had much stronger presences online, or other modern channels, than others. Thus, I decided to broaden the data collection scope and also included the ventures' websites and any narratives found there. I also encountered TV-appearances of some case companies on national channels, which were counted in as well. Some of the case companies also had a channel on YouTube.com, the video sharing platform, thus their videos were included. Finally, some firms had attracted a lot of attention in online platforms such as blogs and video blogs, which will also be added in outcome measures.

The overall amount of data collected amounted to pages. The amount of data by narrative mode is presented in Table 1.

Table 1. The amount of various data gathered on the case companies.

Company, founded	Description	Inter-views	Presenta-tions	News articles	National TV	Semi-nars
EV Courier, 2010	Green delivery company	2	1	4	1	1
EV Coach, 2011	Electric bus OEM	2	1	2	0	0
EV City, 2014	Electric bus OEM	2	3	43	0	3
EV Charge, 2013	Charging network operator	3	5	31	0	4
EV Gear, 2012	Charging equipment provider	2	2	3	0	2
EV Super, 2011	EV OEM	2	2	26	2	0
EV Sport, 2010	EV OEM	3	7	4	1	1

3.4.3 Outcome data collection

Like discussed in section 2.4, linking narratives to outcome variables is very challenging. When analysing the benefits of any strategy for entrepreneurial businesses, I would naturally like to measure their effects on ultimate firm performance, e.g. survival, growth or financial performance. However, measuring survival obviously requires a longitudinal study to avoid selection bias; both high performance or merely low activity enhance survival; new ventures often do not aim for financial performance in their early years, but focus on developing the business; and private companies' financial or employee figures are hard to obtain. As a result, various interim measures are often used to act as measures for narrative performance.

In prior studies, such proxy measures have been used as whether the firm is portrayed in the media as a market referent (Santos & Eisenhardt 2009), or portrayed in the media as operating in a new market (Santos & Eisenhardt 2009), alliances formed with other firms (Ozcan & Eisenhardt 2009) and other ties to other firms (Phillips et al. 2013), and firm valuation premium during and after an IPO (Martens et al. 2007). All of these measures can act as proxies for firm performance, but they are interim outcomes. For example, resource acquisition does not dictate performance measures, but merely mediates measures such as financial success, growth and survival (Zott & Huy 2007), while ultimate outcomes are co-determined by external factors such as global market cycles and demographic trends (Zott & Huy 2007).

The case companies formed a very heterogeneous lot, being between 1 and 5 years old at the time of writing; they operate in distinct industries; they include service businesses as well as manufacturers. As a result, their financial figures would be difficult to compare. The companies being in different stages of development, comparing survival or growth would require a longitudinal approach. As the scope of this study is limited to new ventures, there were no companies that had undergone an IPO. Finally, because the proxy measures available tend to be unreliable proxies, to maximise reliability, I sought to use several measures. Furthermore, this study being exploratory by nature, it will be valuable to find effects of narratives on any performance-related measures.

To measure possible outcomes, various experimental variables were investigated, some of which were deemed inappropriate. For example, I experimented coding media articles on how positively they portrayed the case companies. However, this coding was highly subjective, and because vocabularies and article writing style varied depending on venture industry, the positivity measures were unreliable. Further, the media used overall very neutral tone when describing the ventures, thus data points were few and the measure was deemed useless. Furthermore, a survey was published in online groups for Finnish EV enthusiasts, asking their evaluations on the performance and viability of the case companies. However, this proved very challenging, because response rates were extremely low and most respondents had very little knowledge of many of the firms. Thus, data rows were again too few and the measure was deemed unreliable.

In addition to outcome measures used by prior studies, my data also provided seminar presentations that can be used as an outcome measure: the seminar presentations outcome variable looked at high-profile professional seminars, many of them organised by the Finnish Funding Agency for Innovation, Tekes. For this measure, I only included seminars with more than 50 attendees. Seminars searched for included e.g. all those organised by Tekes and its programs or the Federation of Finnish Technology Industries, the annual Finnish start-up conference Slush, International Electric Vehicle Symposiums (EVS), the eCarTec World Mobility Summit, and Global Cleantech Summit.

In these seminars it is not trivial for a venture to be invited to present at, as organisers usually only want to sacrifice valuable airtime for legitimate entrepreneurial ventures. Being invited to present at professional seminars requires that a venture is considered worthy enough by an organiser (who is a professional, maybe expert, in a relevant field) to present for the seminar guests (also mostly professionals in a relevant field). For example, the programme seminars of the Finnish Funding Agency for Innovations attract audiences that are somehow professionally related to

the technological field that the programme is involved in. In general, the quality of these seminars affects rather directly the perception of the quality of the organising party, which is why organisers are incentivised to carefully choose the presenters. Thus, one could surmise that ventures that received more invitations to present at seminars were perceived more favourably by the organiser.

This iterative process left me with media coverage and success in resource acquisition to borrow from prior studies, and seminar presentations as an emergent measure. First, seminar presentations similarly counted those presentations at high-profile seminars and conferences that the venture was invited to present at. Finally, for resource acquisition success, a survey was sent to the managers of the case companies, who all agreed to disclose the types of investments they had received, but not the amounts. Thus, the funding measure had to be replaced by an approximated relative rating assigned by the author, based on the type of funding received, since actual amounts were not available. Tekes funding was also public knowledge (again without the amounts), thus Tekes archives were used to cross-check the validity of the data.

Media coverage was measured by using the same media articles gathered for narrative data, described in the previous subsection, and simply counting the number of articles to use as an outcome measure. Like mentioned in the previous section, the media score was supplemented by other emergent visibility, such as appearing on national TV and attracting attention in online audiences such as bloggers and video bloggers.

One problem with the media coverage measure is the different ages of the firms: younger firms could be in earlier life cycle phases, having their media coverage only in the future. To avoid making biased comparisons, I plotted the cumulative media coverages by number of articles for each firm since the moment they received their first media article, until the end of my data collection phase. The plot is presented in Appendix B. This analysis confirms that three of the case firms are still gaining media coverage when the data collection period ends, but on the other hand, it reveals a clear division between two groups of companies: EV City, EV Charge, and EV Super attracted significantly more media attention significantly faster than the other 4 companies.

To simplify the analysis, the companies were assigned relative ratings by the author based on the overall media attention over different channels. All the measures related to media coverage are presented in a table in Appendix C.

3.5 Data analysis

While collecting and analysing data of the narratives presented by companies in the various channels and modes of narration, I noticed that the narratives portray many of the more abstract

concepts identified in prior literature, as discussed in the Theory section. For example, companies seemed to be engaging in non-obvious category membership claims to avoid direct competition, or narrating business concept fit by abstracting the temporal dimension. In this fashion, I engaged in latent content analysis – or an “interpretive reading of the symbolism underlying the physical data” (Martens et al. 2007, p.1111 citing Berg, 2004).

Some of the narrative strategies emerging from the analysis were identified as instances of narrative strategies identified in the Theory section, while other, new narrative acts were also identified. I applied the Gioia method (Gioia et al. 2012) to code and categorise the narrative acts in an iterative process into more and more abstract concepts, moving from the identified first-level constructs to second-level constructs. Here, the first-level constructs would be the individual narrative acts: for example, utterances of venture managers or statements in marketing material. Second-order constructs would then be narrative strategies: more abstract constructs that promote a certain view of the narrated venture or its field. Finally, these narrative strategies were categorised in third-level constructs, namely “narrative dimensions” that convey either cognitive understandings, socio-cultural resonance, or identity coherence. As is the nature of an iterative analysis, some narrative acts were categorised in unfitting third-order narrative dimensions along with the second-level narrative strategies, and had to be categorised again in order to reach a coherent categorisation through an iterative process. The identified narrative strategies are presented in the Findings section below, categorised by narrative dimension.

4 Findings

This chapter presents the results of the data analysis. The first section looks at the whole narrated identities of each company to enable further analysis. The next three sections simply go over the various narrative acts used by the case companies in order to answer research question Q1; to investigate and categorise the narrative strategies used in the data. To answer research question Q2, the fifth section reiterates the effects of intrinsic properties of case companies on the narrative strategies they chose to employ. Finally, the sixth section aims to answer research question Q3 by analysing the potential effects of employed narrative acts on selected outcome measures of the case companies – and especially if theoretically optimal narratives also lead to optimal outcomes. The analysis leads to interesting findings that are mostly aligned with concurrent literature, while some new concepts emerge and the mechanisms of others are elaborated.

4.1 Identity narratives of case companies

In this section, I first go over the whole narrative identities used by the firms individually, in order to be able to inspect their coherence and balance as a whole. To facilitate a structured and neutral approach to analysis, I employ the analytical framework outlined in the Theory section: I firstly look for ways to construct cognitive understanding, such as EV conceptualisation, category membership claims, use of metaphors and analogies, and schemas and vocabularies employed. Secondly, I go over ways to construct socio-cultural resonance, including: evoking broader contexts, deeper meanings, and societal trends; evoking emotions through relating to naturally emotional concepts; and using prototypes, test drives and events to engage the community. Thirdly, I look for ways the companies constructed identity coherence, such as conveying an individual fit, business concept fit, and values fit; as well as constructing inevitability of change and field ambiguity; and using working prototypes for legitimization. Finally, I evaluate the legitimacy and distinctiveness portrayed through narratives by each case firm, striving to keep this evaluation based only on the companies' narrative identities (instead of e.g. realised outcomes).

EV Courier easily claims membership in the delivery market category, using fleet greenness as its main differentiator, while maintaining on-par cost-effectiveness. He portrays EVs as merely cleaner and more cost-efficient cars, and no metaphors or analogies were used (or needed) to make its business understandable. Instead of attracting attention through advertising, they operate EVs with recognisable logos to evoke sympathy and emotional engagement. Eco-friendliness is

the broader societal trend they associate to, and highlight green values in their marketing communications in a relatively morally preaching way. The founder however recognises that cost-effectiveness is most important to his customers, thus costs are the main selling point. The business concept relies on the global megatrend of carbon footprint reduction. The narrated identity as a whole seems coherent in its simplicity and apparently fits in its context and for its customers. In the delivery market, which has relatively low barriers to entry, this results in a highly legitimate, but not very distinctive identity.

EV Coach straightforwardly identifies as an electric bus technology developer and manufacturer. It makes no further membership claims, portrays the technology as just more convenient and cost-effective than diesel, using no analogies or metaphors and a very traditional vocabulary, focusing instead on rational argumentation, cost-effectiveness calculations and empirical measurements. The firm's narrative does not seek to create resonance: the founder downplays the importance of emotions and environmental matters in interviews: "[We sell on] the viewpoint of costs. Green values are not a priority for business-owners operating a fleet of EVs." Overall, they make no effort to create socio-cultural resonance. They justify their competition against large players by saying that innovations can only be born in small ventures that act instead of talking: "Garages are where innovations are made." Even though it is not communicated widely, the founders are experienced in the technological field. Overall, their lack of differentiation might lead to challenges in legitimation in a market dominated by incumbent players, while the identity is not very distinctive either.

EV City likewise develops and manufactures electric bus technology, but categorises themselves as a provider of "collective transport systems" to construct field ambiguity and avoid direct competition against incumbents. They portray the electric bus simply as a cleaner, more cost-effective bus, that beats existing solutions in selected settings. Very few analogies or metaphors are used to make sense of their business, perhaps a result of their target customers being public institutions such as cities and traffic operators, which is reflected also in the complete lack of resonance generating narrative. Even green values and health benefits are merely translated into monetary terms in their marketing material. The firm did not attend events, focusing on direct sales because of the nature of their customers. The business concept is justified with an extensive scientific background research and development project, while also avoiding competition by constructing an ambiguous field to operate in. Overall, the firm portrays a coherent identity where every argument is in rational economic terms, in alignment with their customer segment. The result seems to be a highly legitimate, and distinctive, albeit not resonant, identity.

EV Charge has constructed its own market category, as it has no relevant competition in Finland. The firm's founder recognises the power of narratives and uses them consciously, attending closely to the social and psychological context of the listeners. Their narrative employs a wide range of analogies and metaphors to explain its business concept, such as associating with legitimate and understandable categories such as mobile operators and credit cards. The firm seeks to actively further the growth of the EV market in Finland and talks about the "century of electricity", comparing the change to the shift from steam engines to gasoline engines – apart from that, little broader cultural context or greenness is communicated. However, the founder consciously employs a variety of narrative strategies depending on the goal: he told in an interview that he had to find a balance between being exciting towards consumers and credible towards institutions; and generate a sense of urgency in decision-makers by shaping their frames of reference; and even offers decision-makers first-hand experiences of EVs. The founder has experience in a relevant field, and used his connections to convince utilities to join the firm's network one by one. The wide partner network has legitimated the venture. The venture justifies its existence by constructing inevitability of ICE cars being replaced by EVs.

EV Gear has also carved a market category for itself, since there are few relevant competitors with similar range of services. The EV is conceptualised as a superior technology, which emerges because of EU directives and environmental pressures. The firm's communications employ a very traditional automotive field schema and vocabulary, analogically associating e.g. charging points with gas stations, and the benefits of shifting to EVs are portrayed to be like the change from horses (that "polluted" streets with manure) to gasoline cars. The narrative does not evoke broader societal trends and uses few emotional arguments. However, the company also participates in community events and organises test-drive events at its charging stations. A manager stated that "Trying EVs converts people into believers. This has been proven at our test drive events." They further seek to emotionally engage the public by posting videos of these events and people getting excited at test drives on an online video channel.

They mainly justify their purpose on EU directives that necessitate the construction of charging stations; and their competitive advantage on safety technology on EU's supposed future ban on the Schuko plugs, widespread in Finland, from EV charging use. This creates an interesting narrating contest, since this EU ban would provide a huge business for companies like EV Gear, but its competitors have refuted the claims about EU regulation.

EV Super made few category membership claims: the firm is told to have been founded to develop new EV technology, while the company's prototype vehicle is placed in the supercar

category. The concept of the EV mainly seems to offer the company the technology to make a supercar more powerful and elegant. Few analogies or metaphors are used to explain the concept, while perhaps few are needed: it is described with a familiar automotive schema. The firm states that it was founded on a dream to win the Le Mans 24-hour race with an electric car – no deeper meaning is provided; for example, green values are not communicated. The technology is also told to be scalable, which provides some broader context that the firm may be able to exploit at a later stage. Like the founding story, much of the narrative is based on emotion: the fun and feeling of driving a powerful supercar. Another way they evoked emotions is the way they first developed the concept in total secrecy for four years before unveiling it in a large-scale publicity event, dubbing it the “world’s most powerful electric car”. Individual fit was claimed through the founder’s long experience in the automotive field, while lack of formal qualifications is explained to be a prerequisite for innovative thinking. This simple narrative act alone should not have been very legitimate, if they did not have a working prototype to back their claim, as was found in the case of EV Sport. The prototype was successfully used to evoke emotions and attract attention: “Nobody in the world has enough money to pay for this kind of publicity, that one product has done along with the car show and the press.” (founder in a newspaper article); as well as legitimating the venture: “The reality is that everyone who's willing to invest capital wants to experience our prototype in a concrete way. They either want to take it for a ride or see how it works, and that's one of the reasons why it was built.” (founder at an interview).

In an interesting way, EV Super’s narrative is two-faced: the prototype vehicle is the subject of most visible narrative and successfully generates resonance – while the firm seeks legitimacy by saying its technology is scalable and can be licensed to other actors. The first – competing against powerful incumbent automotive manufacturers – would be extremely challenging to legitimate, but the latter constructs a more credible business concept fit that might help.

EV Sport and its managers engaged in much more creative narrative strategies than other case companies. They abstracted the concept of an EV in their communications, saying that “The product itself has more ideas about building an ecosystem, rather than just a car”, and EVs were portrayed as a totally different concept from ICE cars: “Electric cars are a different market altogether; different rules, different tools, different markets -- same as iPhone was for the smart phone, this is an opportunity to change peoples' behaviour”. Similarly, EV Sport avoided competing with incumbent automotive manufacturers by saying they are a mobility company, a mobile solutions company, while sometimes identifying as an automotive company. They also employ a wide array of analogies, e.g. likening their product with smartphones, their design process with social media, and their business model with streaming music services. Thus, the schema

they employ in narratives is diverse, almost avoiding traditional automotive schema. All this results in a complex whole that might be difficult to understand; a founder told in an interview that they have not been able to find funding, because people do not understand the innovativeness of their business.

The firm's narrative evokes emotions with grandiose presentations and nostalgic talks about childhood memories of cars, and the fun and feeling of driving; conveys deeper meaning via environmental concerns by appealing to the rights of future generations; and while they agreed that people need test drives to be convinced, they did not receive funding to enable that in the timeframe of the data collection. The firm justifies its competitive advantage over powerful incumbents in the automotive field by saying that the traditional automotive companies are rigid and unable to innovate: "They have such a heavy legacy, that they have a hard time moving from one technology to the next," while they themselves are a "fabulous car manufacturer because we don't have a legacy." This reasoning is very similar to that of EV Super, but EV Sport does not have a working prototype to prove themselves. The business concept is embedded in the context of disruptive changes in distant fields, such as smartphones and social media, and a revolutionary change is portrayed as inevitable by abstracting the temporal frame: a founder said in a public presentation that "cars will still be there in 10, 20, 50, 100 years -- they don't have to be better, they have to be different, and they will be". Like mentioned, they claim space for agency from powerful incumbent competitors by abstracting the field, sometimes saying they are a mobility company or a mobile solutions company.

Summary. To summarise the complete narratives, brief characterisations of the most salient narratives in each of the three narrative categories employed by each case company are reiterated in Table 2. Based on the analytical framework of this study, the narratives of each category of each company were given a relative rating. This rating was based on the above constructed narrative identities for each firm, and their theoretical quality, diversity, coherence and audience fit. To clarify, this rating was only based on narrated identities, instead of e.g. realised outcomes. Finally, the author placed similar ratings on the legitimacy and distinctiveness of each narrative identity with a similar methodology. This rating was based on how much emphasis was placed on legitimacy and distinctiveness conveying narratives, how creative were their use, and how they fit for their audiences and contexts.

Table 2. Brief characterisations of the narrative identities and narrative strategies used by the case firms.

	Cognitive understanding narratives	Socio-cultural resonance narratives	Identity coherence narratives	Legitimacy	Distinctiveness
EV Courier	<ul style="list-style-type: none"> • EV = cleaner, cost-efficient car 	<ul style="list-style-type: none"> • Greenness (moral) • Visibly green brand 	<ul style="list-style-type: none"> • Founder's experience in the field 	✓ ✓	
EV Coach	<ul style="list-style-type: none"> • EV = cost-efficient car • Efficiency calculations, empirical measurements • (But how is it better?) 		<ul style="list-style-type: none"> • "New company = innovative company" • Founders' technological experience • (Only 2 men and a garage) 		✓
EV City	<ul style="list-style-type: none"> • EV = cleaner, cost-efficient car • Cost efficiency calculations, empirical measurements • Holistic solutions instead of just products 		<ul style="list-style-type: none"> • Regulations create an opportunity • Background in large publicly funded scientific research program • High level of technological expertise 	✓ ✓ ✓	✓
EV Charge	<ul style="list-style-type: none"> • Wide array of analogies from distant but appropriate, understandable fields such as credit cards and mobile operators • Easily understandable market with low competition 	<ul style="list-style-type: none"> • Greenness (emotional) • EVs = revolutionary change • On a mission for EVs, for greater good • Balance between emotional vs. rational • Tailors narrative according to audience • Offers hands-on experiences (small scale) 	<ul style="list-style-type: none"> • "New company = innovative company" • Financial backing from utilities • Legitimacy borrowed from ministry of officials • Deeper meaning: bring forth the EV revolution 	✓ ✓ ✓	✓ ✓
EV Gear	<ul style="list-style-type: none"> • Services instead of just products • Metaphors from the automotive field 	<ul style="list-style-type: none"> • Community engagement through events and videos (small scale) • Offers hands-on experiences to public 	<ul style="list-style-type: none"> • Regulations create an opportunity • Certifications, safety • Discredit competing solutions 	✓ ✓	
EV Super	<ul style="list-style-type: none"> • EV = better, faster car • Totally new, revolutionary technology • "Most powerful in the world" • (Car company or technology company?) 	<ul style="list-style-type: none"> • Based on dream of winning the Le Mans 24h race • The feeling of powerful cars • Exclusivity, big media events • "Most powerful in the world" 	<ul style="list-style-type: none"> • New company = innovative company without legacy • Founder's experience in the automotive field • Prototype as a proof of concept for investors • Alternative business focus hedges business concept fit 	✓ ✓ ✓	✓ ✓ ✓
EV Sport	<ul style="list-style-type: none"> • Analogies from distant fields • Category abstraction • Several business models suggested • (No internal agreement of categorisation) → (People struggle to understand what they do) 	<ul style="list-style-type: none"> • Emotional argumentation (childhood memories, fun of driving, future generations deserve better) • "Reinventing the way you drive" • Inspiring presentations and grandiose stories 	<ul style="list-style-type: none"> • New company = innovative company without legacy 		✓ ✓ ✓

The ratings were given intuitively by the author, based on theoretical quality of the narrative strategies used; see chapter 3 Research Methods.

4.2 Strategies to construct cognitive understanding

This section explores the ways that new venture managers sought to construct cognitive understanding identified in the data. Like outlined in the Theory and Literature chapter, I focus on category membership claims, schemas, vocabularies, metaphors, and analogies employed by the venture managers. I also bring forward emergent themes, such as the conceptualisation of the EV itself.

The electric vehicle as a concept. One of the most fundamental aspects of narrative that emerged from the data is how the case companies conceptualise the electric vehicle technology: why are EVs needed, how are they different from and better than gasoline-powered cars, and how they will (or will not) change the world. Some portray the technology as a world-changing, revolutionary innovation, while others merely portray EVs as better, more convenient, cleaner, or more powerful cars. For example, one manager said the change is “as big a change as when horses were replaced by cars 100 years ago”. Another manager declared that in some time, driving a combustible engine car will be frowned upon like smoking inside is now disapproved. Another firm, an electric vehicle OEM, emphasised that EVs are a sustainable way to “put the fun back in driving”, as the future generations have a right to have that fun too. Contrastingly, yet another manager stated that “as long as the range is long enough, it does not matter what you use to propel your ride” – electricity is simply the lowest-cost option.

As for the widely-cited downsides of the technology, like limited range and low power, managers of only one firm admitted that the EV technology is good for some uses but not all; the other six were sure to only portray positive sides of the technology.

Unsurprisingly, the four case companies that target (also) consumers as customers, portray EVs as more fun, more powerful, and a more stylish and conscious way of driving. Their portrayals of the EV ranged from the powerful supercar to the eco-conscious option. Contrastingly, the three firms that do not, focus on portraying EVs as more cost-efficient, and only portrayed greenness as a beneficial asset when it was either required or subsidised by regulation. The managers of these three firms all said that greenness is not enough, but cost-efficiency is what counts. One manager talked about hypocrisy of business customers who will not pay extra for greenness. As a result, these firms omit moral or ethical arguments; one firm, an electric bus OEM that targets municipalities, even translated low emissions into cost savings in municipal healthcare and building erosion.

Category membership. Like suggested by the existing theory, most of the case companies presented category membership claims, while some also struggled with it. The delivery company

cleared the hurdle easily: they claimed to operate in the traditional delivery business, and differentiate via greenness within that category, thus portraying a simple yet understandable and legitimate identity. Similarly, the two electric bus OEMs place no emphasis on category membership, both saying that they are a bus manufacturer or a more comprehensive systems provider, depending on the customer's needs.

Further, the charging network operator EV Charge and the charging equipment provider EV Gear both simply claimed to operate in their respective nascent markets. To compensate the apparent lack of legitimacy in these newly emergent categories, it seemed like these two companies were the most interested among the case firms to promote the growth of the whole EV ecosystem in Finland, organising and participating in events for the EV community in Finland, building a community spirit, helping interested consumers in choosing EV and charger models, as well as building the infrastructure in advance for the vehicles to come, relieving the chicken-and-egg dilemma². This is aligned with the findings of Lounsbury & Glynn (2001), who found that actors in new categories have a common interest in legitimating their category, before focusing on differentiating within the category.

Finally, the two electric vehicle OEMs seemed to actively construct various category membership claims. As opposed to local deliveries or EV charging networks, automotive manufacturing is a well-established, traditional field ruled by few very powerful incumbent actors and characterised by high barriers of entry. Thus it could be assumed that this generates pressure on the EV OEMs to differentiate from these incumbent players, and one way to do that is by making distinct membership claims.

EV Super identified as an EV OEM and most of their communication focused on their vehicle prototype – but at the same time, they insinuated that their proprietary technology is the core of their business endeavour, and could be licensed to all kinds of auto manufacturers. This creates a double-faced identity: findings from the media articles show that journalists are confused about whether EV Super is an auto manufacturer or the inventor of a revolutionary powertrain technology. Furthermore, this was also a hedging strategy: when the media expressed scepticism over the competencies over incumbent actors, the venture could emphasise its licensable technology – but the technology itself would not arguably have attracted such a large amount of media attention. Similarly, EV Sport portrays an inconsistent identity. First, they sometimes said that they

² In the electric vehicle context, the chicken-and-egg dilemma is widely used to mean the problem that lack of infrastructure hinders EVs from becoming common, and the lack of EVs on the roads discourages actors from investing in infrastructure.

operate in automotive manufacturing, sometimes they claimed to be a mobility company, while they also outright deny competing with any other actors in the automotive field. Second, they seek to construct cognitive understanding by making analogies between their product and smartphones, social media, and streaming music. What is more, a founder said in an interview, the two founders disagreed on whether they operate an automotive company or a mobile solutions company. All this results in an ambiguous identity, and as a founder said in an interview, outsiders have had difficulties understanding what it is they do. Identity inconsistency has been established to be harmful; but my findings suggest that the threat of incumbents' competition in traditional, well-established categories, such as the automotive field, could pressure managers of new ventures to abstract their market category to avoid direct competition, while unavoidably creating ambiguous and inconsistent venture identities.

Schemas and vocabularies employed. On the one hand, discussing the EV field and its technology requires the use of relevant new terms, such as electric motors, regeneration of braking power, home charging versus public charging, lithium-titanate batteries, nickel-metal hydride batteries, and so on. This new vocabulary is a learning barrier for people who are familiar with traditional terms associated with ICE cars, and could create a cognitive barrier to legitimate the field in the eyes of consumers. On the other hand, using a different vocabulary might also cognitively separate the two fields, thus avoiding direct competition.

On the other hand, it seems that the automotive vocabulary is so ingrained in consumers' everyday use, that it would be very challenging to stray away from. The EV context offers some room to select which terms to use, such as using "accelerator" instead of "gas pedal", or talking either about "tanking up electricity" or "recharging". According to a newspaper article, some Finnish EV activists advocate not using traditional ICE vocabulary when speaking about EVs, such as "tanking up electricity". However, judging by the vocabulary, the case firms in general (with perhaps the exception of EV Sport) do not seem afraid to connect to the automotive field by using its vocabulary, even though it might associate them with a market category that is ruled by powerful incumbent players. The outlier, EV Sport, was the only company in the dataset that seemed to actively avoid traditional automotive schema and vocabulary. They analogically likened their product with smartphones, their design process with social networks, and their business model with e.g. streaming music, and also borrowed the respective vocabularies when doing so. I discuss this in more detail below.

Metaphors and analogies. Again, perhaps unsurprisingly, the firms that target consumers, employ significantly more metaphors and analogies than those firms that do not target consumers.

Still unsurprisingly, the most used analogies referred to the traditional automotive field. Charging stations were analogically compared to gas stations: a manager of a charging equipment provider made the analogy to justify their higher-quality charging equipment: “Gas stations are moving to homes. You can’t fill up the car using a scoop!” (manager of EV Gear in a seminar presentation). An EV OEM manager similarly said: “It’s as if someone has filled up your car during the night. That’s why driving past a gas station puts a smile on your face.” (manager of EV Super in an interview). These analogies presumably aimed to make the EV field more understandable to the consumer.

More imaginative analogies were employed as well, in order to help outsiders make sense of the EV field and their business. For example, a manager of a charging network operator likened the current state of charging services to customer loyalty cards: “In the USA you need 5 to 6 cards in your wallet just to drive around, like customer loyalty cards”. Instead, he states, a good charging operator is like a mobile operator, “in the background, not visible to the end user at all”. In a presentation, he also notes that their company logo should be perceived like the Visa logo, communicating that their charging services are available everywhere with the same card. These apt analogies aim to help the consumer make sense of how the product works.

Analogies from distant fields (i.e. fields that are not closely related to the automotive field or the EV field) were also used to portray competitive advantages of the firms’ own products. Especially the managers of EV Sport, an EV OEM, used extensive analogies from distant fields. They likened their product to social networks, smartphones, and streaming music: they planned to engage people in design of their EV, outsourcing content creation like a social network; the car itself would be a platform for applications like a smartphone; and they even planned to venture car-sharing and on-demand business models, like streaming music. A manager, who had previous experience in mobile devices, stated: “We believe a car should be the true mobile device -- [A car] is meant for mobility: it’s a device like a phone.” They legitimated the portrayed revolutionary change by referencing to discontinuous changes in other fields: “This is disruption. -- The same way that Apple did with the touch screen.”

Some managers used analogies to convey the world-changing potential of EV technologies in general. One manager said: “It’s kind of like when 100 years ago we switched from horses to automobiles”, while a manager of another firm likened the piles of horse manure on streets in the past to the air pollutants created by ICE cars today. On the other hand, some managers struggled to justify their claims of a revolutionary change: an electric bus OEM manager stated that “I see the revolution in general in the fact that things are changing per se.”, while another said that

“admittedly, the bus is still a metal tube on wheels with people inside -- but is a big change that there’s a new technology that overrides the old one”. Some managers considered any change in the automotive field revolutionary, because it is a field where incumbents have long ruled with an iron grip. This is reflected for example in the way one manager criticised the way incumbent actors uphold the status quo: “What represents the efforts to weed out -- electric cars, is that the oil industry owns, and you can look this up, like 98 % of electric motor patents.” These narratives clearly aimed to legitimate the EV field by portraying its future as magnificent and inevitable, a revolution that is inevitable but that incumbent actors are trying to prevent.

The firms targeting only institutional customers employed very few metaphors and analogies compared to the other actors. Managers of these three firms all said that their customers and decision makers are mostly interested in scientific facts and cost calculations. These institutional customers have professional buyers that are supposed to make rational evidence-based decisions, thus arguably they would not to the same extent appreciate or be affected by creative analogies or metaphors. Along with these lines, a manager of EV Charge, the charging network operator that targeted both institutional and consumer customers, said: “Especially when you’re dealing with energy utilities, who are conservative, you need to have two points of view. -- You need to make campaigns that show the public that this is really possible -- but at the same time you would need to be quite a down-to-earth kind of person who is speaking with a practical sense”. Thus, while some managers used significantly more metaphors and analogies than others, this could have been a conscious choice based on the types of customers the firm was targeting.

4.3 Strategies to construct socio-cultural resonance

Next, I study the various ways in which the case companies and their managers constructed socio-cultural resonance in their narratives. As outlined in the Theory, some concepts I am looking for are how the narratives embed the business in broader socio-cultural contexts, giving it deeper meaning; evoking emotional responses in the audience e.g. through relating to places and historic events, or evoking nostalgia; and incorporate good organisational names or professional memberships, certifications, or awards. In addition, it was found that working prototypes, test drives, and other events were also employed by the case companies towards the same end.

Greenness & other broader contexts, societal trends, deeper meaning. The obvious broader context that EV ventures evoke is greenness: ecological concerns, climate change, air pollution, and environmental sustainability. Greenness is a growing global megatrend that many companies seek to exploit for business. Still, some managers emphasise it more strongly than others, and they also have very different perspectives on it. For example, EV Courier employs the greenness schema

widely and frequently in all its communication, delivering a very moral-laden message. The company's website suggests: "Don't grow your company's carbon footprint – choose responsibly, choose our green delivery services" and even: "Try our emission-free courier service and its effects on your conscience." However, the manager said in an interview that although many companies publicly declare being environmentally responsible, they are not ready to pay for in reality. The data suggests that the moral approach to communicating greenness is not very successful.

Other managers agreed that greenness is not sufficient as a sales argument, thus, they used the greenness point from very different angles, such as economical and emotional ones. Companies targeting businesses and organisations translated all of their arguments into monetary terms: for a good example, an electric bus OEM sales material stated that "an average diesel bus produces under its lifecycle about 100 000 euros' worth of pollution-related damages -- the damages include nitrous oxides, micro particles, adverse health effects, erosion of buildings, and other damages." What is interesting is that they focus their message more on erosion of city buildings rather than adverse effects on humans, which is what two consumer-targeting firms did. A manager of another electric bus OEM was similarly indifferent about greenness: he said in an interview that "as long as the range is long enough, it does not matter what you use to propel your ride".

Contrastingly, EV Sport sought to evoke emotions by demanding rights for the coming generations to live and drive as well. A manager of EV Charge likened ICEs to smoking inside, and blowing the smoke on people's faces. These messages were very much more emotionally engaging than the moral or economic arguments discussed above. However, two of the consumer-targeting companies constructed very few or none greenness arguments, instead focusing on the power, speed, feeling, and convenience of electric cars. Overall, considering how EVs are often seen by outsiders mainly as cars of "eco-activists and hippies", it is surprising how small emphasis the case companies placed on the greenness narrative.

Evoking emotions, historic events, nostalgia. In general, the case companies used few narratives that were meant to directly evoke emotions. Unsurprisingly, the case companies that target only institutional customers used far less emotional arguments than those companies targeting consumers (among other customers). The latter even downplayed the importance of emotions in interviews. However, managers of consumer-targeting firms said that test drives make people excited (managers of EV Charge and EV Gear), prototypes emotionally engage the public (managers of EV Sport and EV Super), and that a vibrant, engaged community of enthusiasts is needed

to maintain momentum in the EV revolution (manager of EV Charge). The manager of EV Gear even said: “Trying EVs converts people into believers. This has been proven at our test drive events.”

For more straightforward emotional arguments, a founder of EV Sport is a good example. They framed their whole business as a world-changing revolution, which will “reinvent the way you drive”; talked onstage about putting “the emotion and fun back into driving”; discussing how “we all have memories of cars -- Memories of a road trip, going to first nightclub, the backseat...” and that “our children, the future generations have as much right to.”; and even discussing teenage dreams inspired by the TV series Knight Rider and his intelligent car, K.I.T.T. The manager was very flamboyant in his presentations, even entering the conference stage on an electric motorcycle with the Knight Rider theme playing in the background. Another manager of EV Charge also sought to evoke emotions by comparing the use of ICE cars with smoking inside and thus polluting other people’s breathing air.

Due to the geographical scope of the data, it is not known if the Finnish case companies used relatively low or high levels of emotion compared to the global average. It should be noted, though, that the manager that used the most emotional arguments was the only non-Finnish manager in the dataset.

Working prototypes. I found that some of the case companies recognised that hands-on experience often help people become emotionally engaged, excited, and convinced of new concepts. For example, a founder of an EV OEM said in an interview: “The reality is that everyone who's willing to invest capital wants to experience our prototype in a concrete way. They either want to take it for a ride or see how it works, and that's one of the reasons why it was built.” This company invested in building a prototype, which attracted wide attention and, eventually, investments. Another EV OEM manager complained that potential investors were asking for prototypes, but they wanted to focus on other things first. The company went into liquidation before they created any prototypes or received any funding.

Even though it is unclear whether prototypes help receive funding, or if other venture properties enable both prototyping and funding, it is clear that prototypes generate resonance. For the electric bus OEMs, they also received their first media coverage after releasing their prototypes. The charging network operator has attracted most of its media coverage when individual charging stations have been installed around the country. EV Sport, who had no prototype to show, attracted very little media attention despite its emotionally engaging, grandiose stories. This

suggests that prototypes form a large part of the resonance a story need to attract attention in the media, even when the majority of the audience cannot experience it hands-on.

Hands-on experiences, test drives. Furthermore, a manager of the charging services operator, EV Charge, told us that in convincing decision-makers to support their network, driving an EV to those meetings and letting decision makers experience the car hands-on was a good tool. In his words: “Instead of doing a lot of this political talking, we should put the real decision-makers drive the e-cars. Get the experience and realise that you can use it in real life.” On the other hand, EV Gear, the charging equipment provider also organised multiple test drive events, filming the reactions of the public, and posting videos online. It is unclear if providing these experiences has yielded desired effects, but there are at least two effects discernible. Basic human psychology dictates that people often “believe it when they see it”, thus it is plausible that after a positive personal experience, decision-makers become more favourable towards the technology or business, and potential customers more likely consider purchasing. Furthermore, especially in the case of EV Gear and its online videos, excitement can spread through word-of-mouth and watching the videos, thus creating a larger total effect. It may also help creating and growing the community of enthusiasts around the EV field and the firms promoting it.

Public events. Many of the case companies attended any EV-related events organised by the EV community, promoting themselves and the whole EV category. Again, these were mostly the consumer-targeting actors; EV Delivery took a chance of promoting their services at an event, while EV Charge and EV Gear frequented these events. The events were mostly informal get-togethers of EV enthusiasts, organised by a non-profit organisation promoting EVs. The events aimed to showcase vehicles, hobbyists’ projects, and firms’ products and services to the community, the general public, and decision-makers, in order to enhance the public opinion and further the spread of EVs. These companies also had online presence and engaged in active communication towards their follower communities, simultaneously participating in creating a vibrant EV community in Finland. The EV OEM, EV Super, had a distinct strategy: as their product was extremely high-end, they created an identity of exclusivity by only participating exclusive events for wealthy car collectors and being very protective about test-drives in their prototype.

Media events. Some managers were more apt than others at generating media attention, by timing and planning their press releases and other events. The founders of EV Charge organised an event to celebrate and promote its foundation; until that, preparations were made keeping low profile. Partners, scientists, and media were present and the newly founded firm attracted wide media coverage. The EV OEM, EV Super, had a similar strategy: they first developed their technology

in total secrecy for four years, released small teasers about what is coming 2 months before a luxury car show, and finally attracted huge worldwide attention at the show by releasing the world's most powerful electric supercar. Both companies were successful in making the media work in their favour, and could not have had such wide publicity without these events. The founder of EV Super even said: "Nobody in the world has enough money to pay for this kind of publicity, that one product has done along with the car show and the press."

Good organisational names, awards, certifications, and professional memberships. Perhaps due to the newness of the EV field in Finland, few managers in the dataset sought to generate resonance through associating with good organisational names, professional memberships, awards or certifications. (Instead of resonance, they did this more often to construct legitimacy and credibility, which is discussed in the next section.) Managers of EV Gear emphasised their personnel's professional certifications to emphasise their effects on personal safety and insurance coverage. There were also one-off references to charity organisations, when EV Gear and EV Courier communicated that they had donated money to charity.

4.4 Strategies to construct identity coherence

This section explores the ways, discovered in the data analysis, that the case companies' managers sought to construct identity coherence through their narratives. I based the categorisation on the literature, but modified in an iterative when concepts emerged from the data. Thus this section is divided into concepts such as values fit, individual fit, business concept fit, construction inevitability of change, and construction of field openness and ambiguity. In addition, it emerged from the data that some venture managers sought to use working prototypes to justify their venture's legitimacy.

Individual fit. Communicating founders' merits, experience, and professional certifications is a very traditional way to construct individual fit, and also the most common way among the case companies. Some managers widely mentioned their founders' past work experience and education, while others felt the need to downplay the importance of formal education: one manager said that they could not have come up with such an innovative technological solution if they had formal degrees. This phenomenon is similar to how new ventures engage in constructing field ambiguity to avoid direct competition (Rowell & Gustafsson 2015): when managers cannot compete with formal qualification, they seek to shift the evaluation criteria. Contrastingly, the employees of EV City and EV Gear are told to be highly qualified in the technologies, and this fact is widely promoted in materials. Finally, yet other founders have extensive experience in their respective fields,

but do not mention this in communications. No clear patterns emerged, but it seemed that companies only targeting institutional customers had qualified founders, but some did not promote this in public marketing materials.

Emphasising innovativeness of a new venture. Four of the seven companies sought to justify their competitiveness by stating that, as a new venture, they are more innovative than incumbent competitors in the field. A manager of an electric bus OEM said that “garages are where new innovations are created -- conceived by a very small group, even in major corporations”. The founder of an EV OEM argued that their team could not have come up with an innovative technological solution, if they had formal degrees and formal structure: “a small enterprise has the advantage of flexibility, which those dinosaurs do not have”. A charging operator partnering with utilities said that because utilities are conservative and risk-averse organisations, thus a new, innovative venture was necessary to form an innovative charging network. Finally, an EV OEM stated that they want to re-build the concept of a car from scratch, as well as start mass production, saying: “We are a fabulous car manufacturer because we don’t have a legacy.” In summary, because new ventures lack credibility and legitimacy, managers sought to directly turn newness into an advantage over larger, more rigid incumbent actors.

Legitimacy through association. Some managers recognised that legitimacy can be gained through associating to legitimate actors. EV Gear promoted their partnerships with incumbent automotive manufacturers, and emphasised their legitimating effect on the whole field. A manager of EV Charge even said they consciously used the legitimating effect of ministry officials, bringing them along to meetings with customers to condone the business.

Business concept fit. Most of the case firms base their business concept fit narrative on the joint effect of the global climate change megatrend and technological development. For the electric bus OEMs, it was the public sector who has begun demanding greener solutions due to e.g. EU legislation, and thus created a market; the managers say that the market was there and they happened to have the technological know-how to answer the demand. A manager said: “we had all the pieces of the puzzle, an opportunity in the markets, and the global trends -- a combination of opportunities that we simply could not forgo.” The delivery firm founder saw the greenness trend as an opportunity for differentiation, and now offers customers an easy way to act in an environmentally responsible way. Two of the consumer-facing companies, providing charging equipment and operating a charging network, primarily portray their business as exploiting the inevitably growing EV ecosystem and its markets. Finally, the EV OEMs simply justify their business concept with technological advancements, which make powerful cars possible in the future as well.

In summary, the business concepts are justified very similarly between companies that operate in similar markets.

Constructing inevitability of change, temporal abstraction. Some managers sought to portray the shift from ICEs to EVs as an inevitable change that will eventually and surely happen, thus ensuring a purpose and justification for their businesses: “Electric cars are here to stay!”, as the marketing material of one company declared. The inevitability was most often justified with EU directives compelling the construction of EV infrastructure, climate change, and simply technological development.

The managers of EV Sport went even further. They constructed their whole narrative on grandiose visions of the future, saying that “the only thing permanent is change”, and that “cars will still be there in 10, 20, 50, 100 years -- they don’t have to be better, they have to be different, and they will be, thanks to technology.” Similarly, a manager of EV Gear analogically compared the change to the shift from horse-drawn carriages and horse manure to motor cars and their exhausts. By making these comparisons into the distant past and distant future, these managers bring out big, known changes that are easier to cognitively understand, thus making further change believable as well – at least when it is given enough time.

Constructing field openness and ambiguity. By re-defining field boundaries and shifting the evaluation criteria, some managers sought to avoid direct competition with more powerful incumbent actors, making their business efforts more credible. For example, an electric bus OEM recognised the existence more powerful incumbent bus manufacturers, but denied direct competition by categorising themselves as a “collective transport systems provider” rather than an e-bus manufacturer. Another manager said that instead of being seen as a competitor for a certain incumbent company, they want to be seen as a new kind of company that provides mobility solutions.

Working prototypes. I found that the case companies also used working prototypes and offered hands-on experiences to legitimate their businesses. As the founder of an EV OEM said in an interview: “The reality is that everyone who's willing to invest capital wants to experience our prototype in a concrete way. They either want to take it for a ride or see how it works, and that's one of the reasons why it was built.” A founder of another EV OEM agreed: “I think the problem in Finland – and this is a bigger problem – is that until you have demonstrated that you can sell stuff, build stuff, or that kind of stuff, you’re not taken seriously.” The former built a prototype, which attracted attention and funding; the latter did not. The prototype legitimated their proprietary technology, making any claims more credible.

Values fit. Apart from green values discussed in the previous section, especially the firms targeting only institutional customers emphasised the economical value of their products and services. These companies even translated any green values into economical values, such as translating pollution from diesel buses into costs in healthcare and building erosion. Contrastingly, the consumer-facing firms focused on communicating powerful feeling, fun, and excitement (EV Super and EV Sport) and convenience, comfort, and ease of use (EV Gear and EV Charge). Interestingly, these companies did not once mention the low operation costs of EVs. In a way, the consumer-facing firms focused on communicating values that consumers already have with ICE cars – values that seem to merely offset problems brought by the EV technology (convenience of long range, fast fill-up, ubiquitous gas stations with universal credit card access). Contrastingly, the firms targeting institutional customers communicated value not provided by existing solutions (such as emissions-free local transport, lower air pollution levels, health benefits, and lower costs). Considering this perspective, one could suggest that the B2B firms construct a better values fit for their customers.

Summary. The concepts outlined in the Theory section, as well as interesting emergent concepts, are briefly summarised in Table 3 along with their popularity in use among the case companies.

Table 3. Narrative strategies used by case companies.

Category	Narrative strategies (# of firms that used extensively)
Strategies to construct cognitive understanding	<ul style="list-style-type: none"> • Creative category membership claims (2) • Employing non-traditional schemas and vocabularies (1) • Metaphors and analogies from distant fields (3) <p><i>Emerging from the data:</i></p> <ul style="list-style-type: none"> • Revolutionary conceptualisation of the EV (3)
Strategies to construct socio-cultural resonance	<ul style="list-style-type: none"> • Emphasising greenness and other broader contexts (2) • Evoking emotions, e.g. nostalgia, excitement (3) • Using good organisational names, certifications, and professional memberships (2) <p><i>Emerging from the data:</i></p> <ul style="list-style-type: none"> • Working prototypes (1) • Hands-on experiences, test drives (3) • Public events, community participation (2) • Large media events (2) • Exclusivity (1)
Strategies to construct identity coherence	<ul style="list-style-type: none"> • Individual fit: narrative portrayal own competences (5) • Business concept fit: narrative portrayal of magnificent business opportunity (5) • Values fit: narrative portrayal of trending values (3) <p><i>Emerging from the data:</i></p> <ul style="list-style-type: none"> • Individual fit: emphasising innovativeness of a new venture (4) • Individual fit: legitimacy through association (4) • Individual fit: demonstrating working prototypes (3) • Business concept fit: constructing inevitability of change, temporal abstraction (5) • Avoiding competition: constructing field openness and ambiguity (2)

4.5 Effects of venture characteristics on the use of narratives

This section reiterates the narrative strategies used by the case companies to analyse how intrinsic characteristics of the companies, such as industry field, targeted customer segments, and prior experience of founders affected narrative use. To aid in this analysis, selected intrinsic characteristics of the case companies are presented side by side with narrative use patterns in Table 4. The relative ratings presented in the table are justified later in this section.

Table 4. Intrinsic characteristics and narrative use patterns.

Company	Customers	Market age (as narrated)	Presence of Incumbents in the market	Narrative focus on category	Greenness' value portrayed as	Metaphors & analogies	Resonance narrative
EV Courier	Businesses	Established	High	Low focus	Economical & moral		✓
EV Coach	Municipalities & businesses	Established	High	Low focus	Economical		
EV City	Municipalities & businesses	Established	High	Slightly abstracted	Economical		
EV Charge	Consumers & businesses	New	Low	Low focus	Emotional	✓✓	✓✓
EV Gear	Consumers & businesses	New	Low	Low focus	Regulation-created opportunity	✓	✓✓
EV Super	Consumers (& businesses)	New	High	Abstracted	–		✓✓✓
EV Sport	Consumers	New	High	Abstracted	Emotional	✓✓✓	✓✓✓

Type of targeted customers. Like mentioned earlier, the nature of customers targeted by the companies and their products seemed to have a significant effect on narratives used. Those companies that only targeted institutional customers such as businesses or public organisations (N=3), portrayed EVs as merely more cost-efficient cars with fewer adverse environmental effects. Even the environmental benefits were only portrayed as valuable because of regulation that either required or incentivised emission reductions. Further, these firms used far fewer metaphors and analogies, and employed fewer resonance-generating narratives. For example, green values were portrayed as assets only through translating them into monetary terms and cost savings. These case companies also attended no community events, organised no large-scale media events, and did not use prototypes to engage the public.

Contrastingly, those case companies that included consumers in their targeted customer segments (N=4) portrayed EVs in more engaging terms: the technology was portrayed as a revolutionary change, EVs were portrayed as more fun, more powerful, more convenient, and a more stylish and conscious way of driving. These firms employed significantly more metaphors and analogies to make sense of their business. Even though green values were still a low emphasis, when they were brought up, it was through emotional messages, such as comparing driving ICE cars to blowing tobacco smoke on people's faces; or invoking the right of future generations to live healthy lives and drive cars. They used more emotional narratives in general. Furthermore, all of these companies used, or planned to use, either prototypes or other hands-on experiences such as test drives to generate psychological engagement and excitement, as well as legitimating the venture's capabilities. It was also this group of companies that sought to generate excitement in the

EV community by attending and organising community events, and orchestrating large-scale media events.

Age and competitiveness of the market. It is challenging to define the newness of markets such as green deliveries or EV manufacturing, thus I first establish this conceptualisation. Is the EV market different enough from the traditional car market to be called a separate market? It uses different technology and is perhaps targeted to different customer segments, but the underlying need being satisfied is the same: mobility. It is even more challenging for “green” deliveries, especially as the entrepreneur says that greenness per se is not of value for institutional customers. Therefore, I must resort to cognitive perceptions of market newness. The managers of ventures in the delivery and electric bus companies believed that their companies operate in traditional markets, while the other managers said that they operate in a new market. Therefore, I conceptualise the markets accordingly.

Analysis finds that the case companies operating in traditional, established markets (according to the conceptualisation discussed above) (N=3) unsurprisingly placed very little emphasis on categorisation narratives. The only slight exception was EV City who wanted to differentiate from mere manufacturers by highlighting their whole-system approach and services. Further, the case companies operating in new markets where incumbent actors had low power, namely charging equipment and networks (N=2) placed similarly low emphasis on categorisation, and instead seemed to focus more on legitimating the whole new field (aligning with the findings of Lounsbury & Glynn (2001)). Interestingly, it was the case companies that operated in a new market with highly powerful incumbent actors, automotive manufacturing (N=2) that had most creative categorisation. One company concentrated its narratives around a working prototype car, but when questioned about competitive advantage or scalability, highlighted the scalable and licensable nature of their technology, thus abstracting the venture categorisation. The other company was similarly challenged about competitiveness and lack of assets against incumbents, and tried to avoid this direct competition by abstracting their market category: claiming to be a mobile solutions company, not an automotive company.

Founders' prior experience. Literature suggests that founders' prior experience affects choice of narratives. As could be expected, founders with prior experience in technologies emphasised technology, empirical measurements, and rational thinking in their narratives. A founder with experience in real estate service technologies highlighted regulations, certifications, and safety. A founder with scientific research background highlighted scientific studies and experiments as

well as technological qualifications. Founders with experience in industrial design obviously emphasised design matters in narrative, even if maintaining a high technological level in the background. Perhaps most interestingly, a founder with experience in mobile devices conceptualised their EV product as a mobile device. However, the founder with the most comprehensive variety of narrative uses had experience in the energy utility business, a field considered as conservative even by himself. With the exception of that one manager, the data still implies the obvious notion that managers are guided by past experiences in how they choose narrative strategies for their current companies. Based on this, I theorise rather unimaginatively that managers with prior experience in technology tend to manage technology-focused ventures, thus managers background might turn out to be the better explanatory factor of narrative choice than venture industry. However, my dataset is too small to draw conclusions on this.

Founders' geographical background. Due to extremely limited data on the subject, I do not want to draw conclusions, but it is interesting to note that the most creative user of coherent narratives was also the only person in the interview and observation dataset who was not a native Finn. This is a reminder of the limitations of the data: as all case companies were Finnish, a nationality that is stereotypically considered un-emotional, laconic, and uncreative, the findings might not be representative of ventures of other nationalities.

4.6 Outcomes of the employed narrative strategies

So far I have identified various narrative strategies used by the managers of the case companies; constructed the complete narrated identities of each company, and identified patterns of narrative use emerging from firm characteristics, such as newness of market, nature of customer segments, and level of competition. The findings presented thus far provide a basis for answering research question Q3, and analysing how the use of these narrative strategies affects firm outcomes such as success in securing funding, media attention, and perceived legitimacy. To aid in identifying these patterns, a brief summary of intrinsic firm and market characteristics, ratings of narrative quality in the three narrative categories, and ratings on outcome variables (funding, media coverage, and seminars) is presented in Table 5.

To reiterate, based on the analytical framework presented earlier, the author evaluated cognitive understanding, socio-cultural resonance, and identity coherence narratives. These ratings are presented with brief justifications in Table 2. The ratings are based on theoretical quality of the narratives themselves, rather than realised outcomes or the author's expectations of outcomes. Theory suggests that the narratives of the three categories are of high quality when managers use versatile narrative strategies to emphasise their strengths and downplay weaknesses; when the

narratives used are tailored for the targeted audience; and when the narratives used form a coherent story, and together form an understandable, resonant, plausible, and coherent venture identity. Similarly, the ratings for identity legitimacy and distinctiveness are based on the suggestion in literature that a venture needs to be judged distinctive enough to attract attention and have competitive advantage, but not too far-fetched in order to remain legitimate.

Because the used narratives and the ratings determined have been discussed in previous sections, this section omits most closer descriptions of the narratives, instead employing the understanding-resonance-coherence categorisation discussed in the theory part of this study, and various narrative strategies identified in sections 4.2 to 4.4. The first sub-section below demonstrates the logic of the analysis, while following sub-sections are more brief in their articulation. The findings are summarised in the last sub-section.

Table 5. Firm characteristics, narratives used, and outcome ratings.

	Customers	Market age and presence of incumbents (perceived)	Cognitive understanding	Socio-cultural resonance	Identity coherence	Funding	Media coverage	Seminar presentation invitations
EV Courier	Businesses	Established – high		✓	✓		✓	✓
EV Coach	Municipalities & businesses	Established – high	✓ ✓			✓		
EV City	Municipalities & businesses	Established – high	✓ ✓		✓ ✓ ✓	✓ ✓ ✓	✓ ✓	✓ ✓ ✓
EV Charge	Consumers & businesses	New – low	✓ ✓ ✓	✓ ✓ ✓	✓ ✓ ✓	✓ ✓	✓ ✓	✓ ✓ ✓
EV Gear	Consumers & businesses	New – low	✓ ✓	✓ ✓	✓	✓		✓ ✓
EV Super	Consumers (& businesses)	New – high	✓ ✓ (✗)	✓ ✓ ✓	✓ ✓ ✓	✓	✓ ✓ ✓	
EV Sport	Consumers	New – high	✓ ✓ ✓ (✗ ✗)	✓ ✓ ✓		(?)	✓	✓

4.6.1 Success in resource acquisition

The companies that secured the most funding were EV City and EV Charge. Bot received funding from Tekes, while EV City was also funded by the highly recognised European Commission Horizon2020 program and EV Charge convinced several utility companies to join as shareholders. Both were thus funded by public or semi-public institutions, which are traditionally conservative, cautious, and rational in their investment decisions. This is aligned with their ratings in identity coherence narrative. Both companies were successful in conveying legitimacy and individual and business concept fit, but through very different means: EV City successfully conveyed an identity of a highly competent expert organisation with a scientific base, while EV Charge gained legitimacy through cleverly associating with the right ministers, networking with the right people, and tailoring their narrative for the level of rationality and excitement that each audience wanted to hear. Furthermore, like discussed in previous sections, EV City and EV Charge employed very different narratives in all other aspects as well, EV City placing very low emphasis on “softer” aspects such as analogies or socio-cultural resonance and EV Charge doing the exact opposite.

Furthermore, another company with a diverse and strategically used identity coherence narrative was EV Super, who were able to use the founder’s previous experience in the automotive field and a working prototype for legitimation, and the two alternative business models to hedge business concept fit depending on what the audience wanted to hear. On the one hand, EV Super did not succeed in receiving funding during the data collection period despite this excellent identity coherence narrative; on the other hand, it was only 6 six months from the unveiling of their prototype until the end of the data collection period.

Taking an opposite perspective, the case companies that had least success in resource acquisition were EV Courier and EV Sport. Again, used narratives offer few explanations for this, as the companies were like mirror images of one another. EV Courier constructed somewhat conservative narrative with a moral message about green values, while EV Sport used “every trick in the book” to emotionally engage their audience and promised to change the world. Thus, the real reasons for failure to secure funding can only be guessed, but the author surmises that for EV Courier it was because the traditional market is not growing but under pressure of digitalisation; and that for EV Sport it was because of their highly distinctive, highly resonant, grandiose narrative which was not balanced with equally strong identity coherence narrative to legitimate it.

Thus it can only be concluded that my analysis is inconclusive on the possible effects of narratives on success of resource acquisition.

4.6.2 Media coverage

Using common sense, one could suggest that highly resonant stories attract the most media attention; news readers are perhaps not too demanding about e.g. understanding technical details. The data does not support or abandon this proposal: EV Super attracted the most media coverage and was rated very high on resonant narrative, while e.g. EV Sport also employed some extremely resonant narrative but only received very little media coverage. What is more, EV City got a fair share of coverage with non-existing resonance narrative.

The three companies that received the most coverage had one common denominator: they also received higher score on identity coherence narrative than other firms. This could suggest that a coherent, plausible venture identity that justifiably “fits” in its context, attracts the most media attention. Furthermore, EV Coach and EV Gear gained virtually no media coverage while EV Courier and EV Sport only barely did; these companies scored low or very low on identity coherence narrative.

In conclusion, the data suggests that media coverage is not highly correlated to narrative resonance, like the author would have guessed. Instead, the connection between identity coherence narrative and media coverage is probably the strongest one found in the limited data.

4.6.3 Seminar presentation invitations

The seminar presentations outcome variable looked at high-profile professional seminars, many of them organised by the Finnish Funding Agency for Innovation Tekes. In these seminars it is not trivial for a venture to be invited to present at, as organisers usually only want to sacrifice valuable airtime for legitimate entrepreneurial ventures. Being invited to present at professional seminars requires that a venture is considered worthy enough by an organiser (who is a professional, maybe expert, in a relevant field) to present for the seminar guests (also mostly professionals in a relevant field). For example, the programme seminars of the Finnish Funding Agency for Innovations attract audiences that are somehow professionally related to the technological field that the programme is involved in. In general, the quality of these seminars affects rather directly the perception of the quality of the organising party, which is why organisers are incentivised to carefully choose the presenters. Thus, one could surmise that wildly resonant stories without legitimization and coherence would not earn a venture invitations to present at professional seminars; only narrative identities with high identity coherence should be invited.

My analysis shows support for this proposal: EV City and EV Charge got the highest rating in identity coherence narratives, and seminar presentations as well. EV Super received highest rating in identity coherence narrative, but the company’s founder explicitly stated that their strategy

dictates that they only attend high-profile, exclusive events targeted at extremely wealthy individuals, and organise large-scale media events. Professional seminars are neither, which is the reason that the company has not presented at those seminars. Furthermore, the EV Super founder said that he had been invited to 20–30 events in general to present his venture (e.g. exclusive invite-only car shows, entertainment events). When I count these invitations (even if unconfirmed information), the data supports the proposal. What is more, the companies with lowest identity coherence narrative score, EV Coach and EV Sport, presented in few seminars. Unfortunately, I have no data on firms that were invited to present at seminars of the defined scope, but refused.

No other patterns seem to emerge: seminar presentation invitations are not correlated with socio-cultural resonance narrative ratings, cognitive understanding narrative ratings, or any intrinsic venture characteristic defined earlier.

However, if I accept that EV Super presents an anomaly in the seminar invitations data by merely being invited to very different but equally high-profile events, the analysis suggests that a connection might exist between identity coherence narrative quality and being invited to present at professional seminars. All this leads to the conclusion that according to my analysis, identity coherence narrative that is theoretically high quality, varied, strategic, and fits its audience, might have a positive effect on being perceived as legitimate by outsiders who are professionals or even experts in relevant fields.

5 Summary and discussion

This chapter first summarises the whole research and reiterates the findings. Second, the potential implications and limitations of the findings are discussed. Third, I discuss the implications that the findings of this study have on new ventures, nascent fields, and the research fields concerning those subjects. I also discuss the methodological contributions of this paper. Lastly, the limitations of this study are discussed to facilitate critical evaluation of the results.

5.1 Summary of the research and findings

This study was part of the Electric Vehicle Ecosystems (EVE) project by Finnish Funding Agency for Innovation Tekes, which aims to make sense how the electric vehicle ecosystem is emerging in Finland. To that end, this thesis focused on the effects of narrative strategies in emerging ecosystems; in more detail, studying the nature, causes, and effects of narrative strategies available for, and used by managers of entrepreneurial ventures in nascent markets. The approach was exploratory. Exploration was started by conducting a literature review that found ample theorisation on a variety of mechanisms that narratives may affect perceptions, several empirical studies on how they can affect outcomes critical to entrepreneurial ventures, and discussion on how narratives are especially important for new firms in nascent markets who have little else to show. However, I wanted to find out what narrative strategies are actually used in this setting; how managers actually succeed in building narratives that are optimal according to theory; and if those theoretically optimal narratives actually have beneficial effects on ventures' outcomes. Thus, three research questions were formed:

Q1. What narrative strategies do managers at new ventures use in nascent markets?

Q2. What effects do intrinsic venture characteristics such as industry, product type, customer type, and manager background have on the choice of narrative strategies?

Q3. What effect do narrations of cognitive understanding, socio-cultural resonance, and identity coherence, as well as legitimate distinctiveness, have on the outcomes of narrative strategies?

Answering these research questions required a case study approach (Eisenhardt 1989a). First, an appropriate group of ventures was selected and studied, gathering narrative data on those ventures,

and lastly construct outcome variables as proxies for outcomes. The data on narratives was analysed qualitatively using latent content analysis (like e.g. Martens et al. 2007), and narratives were categorised in an emerging and iterative fashion using the Gioia method of categorisation (Gioia et al. 2012). The identified second-level constructs, narrative strategies, included those identified in prior research discussed in the theory section, as well as other narrative strategies that emerged from the data during analysis. Finally, these narrative strategies were aligned with a framework developed in the theory section: narrative dimensions conveying cognitive understanding, socio-cultural resonance, and identity coherence. This facilitated a structured method of conceptualising the narrative strategies employed by each case firm.

Using the findings from the analysis methodology described above, descriptions of the identity narrative strategies of each firm were conducted and are presented in section 4.1. Furthermore, the narrative strategies found were also discussed in more detail in a structured way, categorising them by the framework described above and in the theory section. These detailed findings were categorised by the narrative dimensions – narrating cognitive understanding, socio-cultural coherence, and identity coherence – and they are presented in sections 4.2 to 4.4, respectively.

These narratives were further analysed from the perspective of firm intrinsic characteristics, to find out if and how properties like how the firms' markets' characteristics or founders' prior experience affected the use of narratives. In the course of the analysis, I found that companies targeting only institutional customers (businesses and public organisations, not consumers) were much less creative in their narrative use: they used far fewer emotions, analogies, metaphors, events, hands-on experiences, and community engagement. Furthermore, it was also found that ventures that portrayed themselves operating in established markets and ventures in new markets with low competitive pressure placed very little emphasis on categorisation narrative. However, ventures that portrayed themselves as operating in new markets with highly powerful incumbent competitors employed narrative strategies to avoid and abstract those challenges. The findings are discussed in more detail in section 4.5 and the data is summarised in Table 4.

Each company was given a rating by the author on the narratives of each category. This rating was based on the above narrative identities constructed by each firm, and their theoretical quality, diversity, coherence and audience fit, as discussed in the Theory chapter. To clarify, this rating was only based on narrated identities, instead of e.g. realised outcomes. Further, firms were similarly assigned ratings by the author on outcomes such as received funding, media coverage, and seminar invitations. These ratings placed the heterogeneous ventures on the same line to better facilitate comparisons, and facilitated the emergence and identification of patterns in the data

relative to the outcome variables. Ratings of narrative strategies in each narrative dimension are justified briefly in Table 2, while the ratings on funding acquisition success are justified in Appendix A and ratings on media coverage are elaborated in Appendix C.

The practical and theoretical implications of the findings, along with reliability and limitations of this study, are discussed in the next section.

5.2 Implications of the study

This study has made significant theoretical and empirical contributions to the research on narrative strategies in new ventures in nascent markets. First, a large body of literature on narrative theory was synthesised into a comprehensive analytical framework that facilitates a structural approach to venture narrative analysis; the framework is described in chapter 2. Second, contributing to the filling of a gap of empirical evidence on the narrative strategies of new ventures in nascent markets, I deeply analysed the narrative strategies used by the seven case companies in the emerging EV ecosystem in Finland. Both concepts that were found in prior literature and emergent concepts emerge in the findings. These findings are discussed in detail in sections 4.1 through 4.4, while brief summary of identified strategies is presented in Table 2 (page 34). Third, I have made a methodological contribution by developing and experimenting on measures to track the effects of narrative strategies; the synthesis of this methodological work is presented in section 3.4.

These are highly relevant contributions, since there is very little prior empirical research on narrative use by entrepreneurial actors in nascent fields; my theoretical and methodological contribution will help future researchers to shine more light on the field and further fill the research gap.

In the following sections I will discuss in more detail the contributions of this study on narrative strategies by entrepreneurial ventures in nascent fields.

5.2.1 Achieving balance between cognitive understanding, socio-cultural resonance, and identity coherence narratives

It is easy to craft a wild, engaging story of a successful business, if one does not have to justify how it could be realistically. On the other hand, many objectively beneficial technologies or products do not become common if they can not emotionally engage the public to adopt this new technology. Thus, the difficult question remains: how to create a business that is simultaneously easy to understand but complex enough not to be easily imitable? Further, how to be rationally

credible and emotionally engaging at the same time? For example, one could surmise, if a venture's narrative is dominated by empirical measurements and cost-effectiveness calculations, it might convince the experts in the field, but is less likely to attract attention in e.g. the media, evoke emotions, and drive action, and thus less likely to attract investments. Contrastingly, a great story filled with emotional narrative will attract attention, but if it is too eloquent and promises too much, it may be judged "too good to be true". Finally, even if the story manages to achieve both at the same time, the venture must justify its capability of realising the business, why the business will be profitable in the future as well, and why the venture will succeed better than its potential competitors.

The analysis found examples of cases that struggled with, or succeeded in, creating a narrative identity that has balance between the three dimensions. Next, I go over findings, company by company, to discuss whether balance, or lack thereof, between the three narrative dimensions has beneficial or adverse effects, and whether high emphasis in one dimension can make matching that level in other dimensions difficult.

Firstly, EV Sport conveyed highly resonant narrative in interviews, public presentations, online communications, and social media, while also including a wide variety of analogies and metaphors, relating the nascent field and new product type to other fields to facilitate cognitive understanding of the business.

However, analysis reveals that EV Sport's resonant narrative was too grandiose to be legitimated by the limited identity coherence narrative: in other words, they promised a lot, but could not justify how their venture would be fitting to accomplish such high goals. For example, in a national TV show, an investor asked the manager: "You are asking for a lot of money, but -- what is your prior success story in business, which could give you the credibility for me to trust you?" Furthermore, the high number of metaphors and analogies from other fields seems to have had adverse effects: they portrayed conflicting multiple identities for the firm and, as a result, a manager said at an interview that people had difficulties in understanding what it was they do. The company eventually failed to secure financing, and later went into liquidation.

Further, in the case of EV Super, the firm had a similarly high emphasis on socio-cultural resonance narrative. EV Super created resonance through e.g. secrecy, exclusivity, large media events, and the simple but resonant tagline of "the world's most powerful electric car". However, what is different from EV Sport's case, EV Super's claims were backed up by stronger and more legitimating identity coherence narrative: a real, finished, working prototype and the owner's long

experience in a relevant field. In other words, EV Super achieved sufficient balance between resonance and coherence narrative. As per outcome variables, the firm received the most media attention, secured some funding as well, and was invited to dozens of events. This suggests that a balance between high-emphasis narrative dimensions, this has a positive effect on outcomes.

In contrast, EV City engaged in a very high-quality identity coherence narrative, justifying its capabilities to accomplish suggested business endeavours. Interestingly, but the firm had virtually non-existent socio-cultural resonance narrative, and also placed very little emphasis on cognitive understandings narrative. Despite this grave unbalance, EV City measured best in the outcome variables: it received the most promising funding, got the most media coverage, and presented in the second-largest number of professional seminars. This case argues against the suggestion that balance is required between the three narrative dimensions to enable success.

Finally, EV Charge was assigned the highest ratings in all three narrative dimensions, and fared the second-best in the selected outcome variables. This confirm the widely agreed relation that high-quality narrative in all three dimensions lead to better results in venture performance, which the outcome variables are proxy variables for.

To summarise, the analysis provided some limited evidence to suggest that achieving high results in one of the narrative dimension can make matching that level in other dimensions more challenging. This was the case for EV Sport, who could not match its cognitive understanding and, first and foremost, identity coherence narrative with the very high level of resonance narrative. However, the analysis does not support the suggestion that a balance between the dimensions would be always required to achieve high venture performance, as exemplified by the case of EV City.

5.2.2 Narratives' effects on outcomes

For the analysis on how narratives affect outcomes, I identified two possible patterns. My analysis suggests that identity coherence narrative quality might be correlated with resulting media coverage, as well as invitations to present at professional seminars. Unlike the author would have guessed, the media coverage was not found to correlate with narrative resonance, but identity coherence instead. This could be further translated into more abstract terms: optimal identity coherence narrative, not just highly resonant narrative, may enable entrepreneurial ventures to attract more attention and be perceived as more legitimate by professionals. This disparity between expectations and reality might be useful for further research on e.g. narratives' effects on media attention.

5.2.3 Methodological contributions

The biggest methodological contribution of this study is the analytical framework to study narrative strategies, which was created through an extensive literature review, and synthesised the works of many scholars looking at the subject from different angles. It would be an interesting avenue for further research to dedicate research projects for making this analytical framework better and more generalizable.

This study has discussed extensively the challenges and limitations of measuring the outcomes of narrative strategies, but despite these challenges, I arrived at a set of proxy variables that measure how outsiders perceive the firm's performance and viability. This paper has also discussed the potential effects of intrinsic firm characteristics and extrinsic market characteristics on narrative use. The learnings from these efforts may prove useful in future studies seeking to link narratives with outcomes, or to study narrative selection of managers in new ventures.

5.3 Limitations

The biggest limitation of this study was the small data sample. It provided a very small N for most analyses. Thus, conclusions made in this study are not presumably very robust and should not to be taken as absolutes; rather, the purpose of this study was to explore the research setting and theory in narrative strategies, and develop theory; the validation of the created theory is left for future studies.

In addition to small sample, the outcome variables' reliability is low as well, due to the data being coded and analysed by just the author alone. Thus, one should be cautious about drawing conclusions on too weak patterns of links between employed narrative strategies and outcomes. Furthermore, in this sample, there is extremely little opportunity to control for spurious effects using control variables (which would be possible with larger samples), and the ambiguity of the explaining variables and their ratings make perception of patterns even more difficult.

Furthermore, the study was conducted in Finland, where there is no established automotive industry. As the duality of established, incumbent actors and new entrants was defined as an optimal research setting for narratives, the choice of Finland as the only research setting may have skewed the results. Further studies in settings where established automotive industry exists will provide more generalizable and reliable results and more valid implications for such environments.

Choosing variables and their operationalization are another source of validity biases. I chose to measure media coverage by counting the articles from 5 large Finnish media outlets, from both online news and print news when applicable. It could be that in this group there are only a few

journalists who write about electric vehicles, in which case an individual journalist's personal opinions may have had extremely large effects on the data.

Finally, the author is arguably not free from the biasing effect of his own opinions and views of optimal narratives and optimal business. These opinions and views may easily be transferred onto the paper, especially in a case study where the author has to delve in the field and inevitably for his or her own opinions. This limitation was mitigated by combining qualitative findings with quantitative measures, as well as creating a well-structured analytical framework to keep the data analysis a rational process.

List of references

- Aldrich, H.E. & Fiol, C.M., 1994. Fools Rush in? The Institutional Context of Industry Creation. *The Academy of Management Review*, 19(4), pp.645–670.
- Barry, D. & Elmes, M., 1994. Strategy Retold: Toward a Narrative View of Strategic Discourse. *The Academy of Management Review*, 22(2), pp.429–452.
- Baum, J.A.C., Calabrese, T. & Silverman, B.S., 2000. Don't Go It Alone: Alliance Network Composition and Startups' Performance in Canadian Biotechnology. *Strategic Management Journal*, 21, pp.267–294.
- Brewer, M.B., 1991. The social self: On being the same and different at the same time. *Personality and Social Psychology Bulletin*, 17(5), pp.475–482.
- Brush, C.G., Greene, P.G. & Hart, M.M., 2001. From initial idea to unique advantage: The entrepreneurial challenge of constructing a resource base. *The Academy of Management Executive*, 15(1), pp.64–78.
- Cooper, A.C., Gimeno-Gascón, F.J. & Woo, C.Y., 1994. Initial Human and Financial Capital as Predictors of New Venture Performance. *Journal of Business Venturing*, 9(5), pp.371–395.
- Cornelissen, J.P. & Clarke, J., 2010. Imagining and rationalizing opportunities: Inductive reasoning and the creation and justification of new ventures. *Academy of Management Review*, 35(4), pp.539–557.
- Durand, R. & Paoletta, L., 2013. Category stretching: Reorienting research on categories in strategy, entrepreneurship, and organization theory. *Journal of Management Studies*, 50(6), pp.1100–1123.
- Eisenhardt, K.M., 1989a. Building Theories from Case Study Research. *Academy of Management Review*, 14(4), pp.532–550.
- Eisenhardt, K.M., 1989b. Making Fast Strategic Decisions in High-Velocity Environments. *Academy of Management Journal*, 32(3), pp.543–576.
- Garud, R., Schildt, H.A. & Lant, T., 2014. Entrepreneurial Storytelling, Future Expectations, and the Paradox of Legitimacy. *Organization Science*, 25(5), pp.1479–1492.
- Gioia, D.A., Corley, K.G. & Hamilton, A.L., 2012. Seeking Qualitative Rigor in Inductive Research: Notes on the Gioia Methodology. *Organizational Research Methods*, 16(1), pp.15–31.
- Glynn, M.A. & Navis, C., 2013. Categories, identities, and cultural classification: Moving beyond a model of categorical constraint. *Journal of Management Studies*, 50(6), pp.1124–1137.
- Granqvist, N., Grodal, S. & Woolley, J.L., 2012. Hedging Your Bets: Explaining Executives' Market Labeling Strategies in Nanotechnology. *Organization Science*, 24(2), pp.395–413.
- Hill, R.C. & Levenhagen, M., 1995. Metaphors and Mental Models: Sensemaking and Sensegiving in Innovative and Entrepreneurial Activities. *Journal of Management*, 21(6), pp.1057–1074.

- Kaplan, S. & Orlikowski, W.J., 2013. Temporal Work in Strategy Making. *Organization Science*, 24(4), pp.965–995.
- Kaplan, S. & Tripsas, M., 2008. Thinking about technology: Applying a cognitive lens to technical change. *Research Policy*, 37(5), pp.790–805.
- Kennedy, M.T., 2008. Getting Counted: Markets, Media, and Reality. *American Sociological Review*, 73(2), pp.270–295.
- Lounsbury, M. & Glynn, M.A., 2001. Cultural entrepreneurship: Stories, legitimacy, and the acquisition of resources. *Strategic Management Journal*, 22(6-7), pp.545–564.
- Martens, M.L., Jennings, J.E. & Jennings, P.D., 2007. Do The Stories They Tell Get Them The Money They Need? The Role Of Entrepreneurial Narratives In Resource Acquisition. *Academy of Management Journal*, 50(5), pp.1107–1132.
- Munir, K.A., 2005. The Social Construction of Events: A Study of Institutional Change in the Photographic Field. *Organization Studies*, 26(1), pp.93–112.
- Navis, C. & Glynn, M.A., 2010. How New Market Categories Emerge: Temporal Dynamics of Legitimacy, Identity, and Entrepreneurship in Satellite Radio, 1990–2005. *Administrative Science Quarterly*, 55(3), pp.439–471.
- Navis, C. & Glynn, M.A., 2011. Legitimate distinctiveness and the entrepreneurial identity: Influence on investor judgments of new venture plausibility. *Academy of Management Review*, 36(3), pp.479–499.
- Nigam, A. & Ocasio, W., 2010. Event Attention, Environmental Sensemaking, and Change in Institutional Logics: An Inductive Analysis of the Effects of Public Attention to Clinton's Health Care Reform Initiative. *Organization Science*, 21(4), pp.823–841.
- Ozcan, P. & Eisenhardt, K., 2009. Origin of alliance portfolios: Entrepreneurs, network strategies, and firm performance. *Academy of Management Journal*, 52(2), pp.246–279.
- Parker, S.C. & van Praag, M., 2006. Schooling, capital constraints and entrepreneurial performance: the endogenous triangle. *Journal of Business & Economic Statistics*, 24(4), pp.416–431.
- Phillips, N., Tracey, P. & Karra, N., 2013. Building entrepreneurial tie portfolios through strategic homophily: The role of narrative identity work in venture creation and early growth. *Journal of Business Venturing*, 28(1), pp.134–150.
- Rowell, C. & Gustafsson, R., 2015. The Promise and Perils of Nascent Field Narration and the Construction of Venture Identity. In *Academy of Management annual meeting proceedings*.
- Santos, F. & Eisenhardt, K., 2009. Constructing markets and shaping boundaries: Entrepreneurial power in nascent fields. *Academy of Management Journal*, 52(4), pp.643–671.
- Strauss, A. & Corbin, J., 1990. *Basics of qualitative research* 2nd ed., Newbury Park, CA: Sage.
- Suchman, M.C., 1995. Managing Legitimacy: Strategic and Institutional Approaches. *Academy of Management Review*, 20(3), pp.571–610.

- van Werven, R., Bouwmeester, O. & Cornelissen, J.P., 2015. The power of arguments: How entrepreneurs convince stakeholders of the legitimate distinctiveness of their ventures. *Journal of Business Venturing*, 30(4), pp.616–631.
- Zimmerman, M. a. & Zeitz, G.J., 2002. Beyond survival: Achieving new venture growth by building legitimacy. *Academy of Management Review*, 27(3), pp.414–431.
- Zott, C. & Huy, Q.N., 2007. How Entrepreneurs Use Symbolic Management to Acquire Resources. *Administrative Science Quarterly*, 52(1), pp.70–105.
- Zuckerman, E.W., 1999. The Categorical Imperative: Securities Analysts and the Illegitimacy Discount. *American Journal of Sociology*, 104(5), pp.1398–1397.

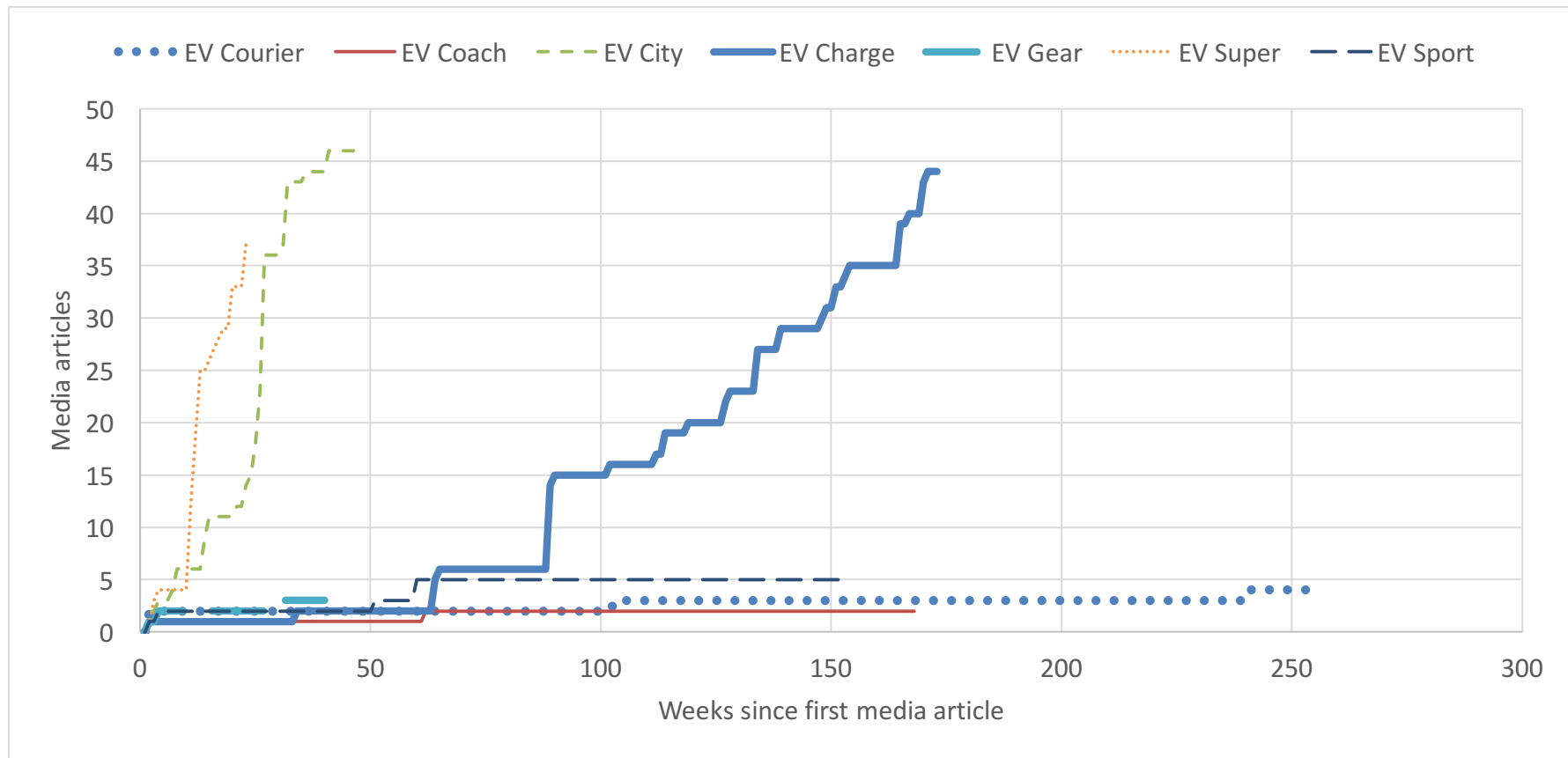
This publication is copyrighted. You may download, display and print it for Your own personal use. Commercial use is prohibited. © Martti Heikkilä 2015

Appendix A Ratings on funding success

Firm	Description	Rating
EV Courier	<i>(No funding, has grown organically.)</i>	
EV Coach	<ul style="list-style-type: none"> • Seed money from a municipal agency • Tekes funding 	✓
EV City	<ul style="list-style-type: none"> • Tekes funding on 2 occasions • EU Horizon2020 funding (<i>very competitive EU program</i>) 	✓ ✓ ✓
EV Charge	<ul style="list-style-type: none"> • Tekes funding • Several utility companies joined as partners/shareholders 	✓ ✓
EV Gear	<ul style="list-style-type: none"> • Tekes funding • Venture capital 	✓
EV Super	<ul style="list-style-type: none"> • Tekes funding on 2 occasions • Private investors • Invested work 	✓ ✓
EV Sport	<ul style="list-style-type: none"> • Seed money from 5 private investors <i>(Unable to find further funding, in liquidation as of 2014.)</i>	✓

Data on funding success was collected in surveys from the firms' managers, news articles, and Tekes archives.

Appendix B Cumulative media coverage from first article until end of data collection



Appendix C Firm ratings on media coverage

Firm	Finnish national newspapers ¹	National TV ² appearances	International online automotive magazine articles ³	YouTube videos uploaded by 3rd parties ⁴	Media coverage rating
EV Courier	4	1 game show	2	0	✓
EV Coach	2	0	0	1	
EV City	43	0	0	0	✓ ✓ ✓
EV Charge	31	0	0	2	✓ ✓
EV Gear	3	0	0	0	
EV Super	26	2 talk shows	14	20	✓ ✓ ✓
EV Sport	4	1 pitching show	7	6	✓

¹ The newspapers counted were the print and online versions of Helsingin Sanomat, Kauppalehti, Tekniikka & Talous, and Talouselämä, as well as Finnish National Broadcasting Company Yle.fi online news

² All appearances on all Finnish TV channels were searched for

³ The selection of magazines and blogs included Engadget.com, Wired.com, Autoblog.com, Jalopnik.com, MotorAuthority.com, EVWorld.com, Electric-Vehiclenews.com, and TechCrunch.com

⁴ YouTube was searched for videos using firm name, product names, and founder names as search terms